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# South and East Asia Report

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1 October 1981

## SOUTH AND EAST ASIA REPORT

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BONN TAKES LATE INTEREST IN ANTARCTICA

Wellington THE EVENING POST in English 31 Jul 81 p 2

[Article by Jean-Baptiste Piggot]

[Text]

THE FEDERAL Republic of Germany will be at a conference in New Zealand next March when the carve-up of Antarctica's mineral resources is expected to begin.

New Zealand invited the other 13 countries of the Antarctic Treaty to a special consultative meeting in Wellington during the regular treaty meeting in Buenos Aires three weeks ago.

"Post" enquiries have disclosed that the moratorium on mining and oil drilling in Antarctica is only voluntary and the subject is not mentioned in the treaty.

Energy-short industrialised countries are putting on heavy pressure to resolve the question, and oil and other minerals could begin to come out of the continent in two or three years, as soon as the treaty powers have drawn up a convention.

Officials have refused to comment, but the position was set out back in 1972 by Mr Chris Beeby, who led the New Zealand delegation at the Buenos Aires meeting as assistant secretary of Foreign Affairs.

He wrote: "The treaty does not regulate at all the question of the exploitation of the resources of Antarctica. Its silence could lead the parties to the treaty straight back to the question of sovereignty . . .

At the time Mr Beeby was head of the ministry's

legal division. At the moment, he is still travelling in South America.

### Intentions

Germany's intentions were mentioned on Wednesday at a press conference given by the visiting Minister of State at the Federal German Foreign Office (deputy foreign minister), Dr Hildegard Hamm-Bruecher.

She said West Germany would be at the Wellington meeting, but insisted that German research on the continent had nothing to do with exploitation.

"Germany has joined the Antarctic pact and we are allowed to do some scientific work and would like to co-operate with countries that have friendly ties," she said.

Enquiries by the "Post" have shown that the years of those statements that research will not lead to exploitation are almost at an end. Conservationist calls to turn Antarctica into a world park have been rejected, because the rocketing cost of oil will eventually make it economic to drill there, in spite of the cold.

The treaty partners meet every two years. The first call for exploitation came in 1977 in London, but they

agreed then to the moratorium. This year's little-noticed meeting was in Buenos Aires, and the 14 decided consultations on a minerals regime were a matter of urgency.

### Krill

The meeting ended on July 10 with a recommendation that this regime — legal jargon for a deal — will take the form of a convention or treaty. The 14 have already been along that road in discussing the other half of Antarctica's resources, the shrimp-like krill which are to be found in the Antarctic seas.

In 1980 the 14 signed a convention in Canberra on the conservation of marine living resources, setting out the terms for harvesting the krill without disturbing the Antarctic ecosystem. When a minerals convention is signed, that will wrap up the rest of the resources that the Antarctic has to offer.

In Buenos Aires the 14 set a schedule for negotiations and laid down some principles including keeping the Antarctic Treaty as it was, making the Antarctic ecosystem a basic consideration, not damaging the in-

terest of mankind, and not affecting the relationship between claimant and non-claimant powers.

The last point is concerned with the sensitive problem of dealings between the seven countries who claim they own the continent and the other seven in the treaty who do not recognise the claims.

New Zealand, Australia, Norway, the United Kingdom, Chile, Argentina and France claim sectors of the continent, while the other treaty powers, Belgium, Japan, South Africa, Poland, the Soviet Union, the United States and West Germany claim none.

The March meeting in Wellington will only be the first of a series of meetings to battle the mineral question out. The living resources convention took two to three years to sort out and the minerals convention will

be much more contentious.

## Expedition

West Germany has come late to Antarctica, but is making up lost ground fast with a station on the far side of the continent and its German Antarctic North Victoria Land Expedition (Ganovex) programme in the Ross Dependency (the New Zealand sector).

The German Ambassador, Dr Hans Alfred Steger, who was also at Wednesday's press conference, said there would be a second Ganovex expedition next year. The first, led by Dr Franz Tessensohn and including some New Zealanders, studied the area in the summer of 1979-80.

Dr Steger said: "We will support you with logistics in the Antarctic, as you have supported us by giving us free entrance to ports and facilities."

CSO: 4220/407

ANTARCTICA

BRIEFS

ANTARCTIC RESOURCES PROTECTED--New Zealand is moving towards playing a part in introducing a conservation system in waters surrounding the Antarctic. Last night, the Minister of Foreign Affairs, Mr Talboys, introduced to Parliament the Antarctic Marine Living Resources Bill, to give effect to the convention on the conservation of Antarctic marine living resources. The convention resulted from a decision of the ninth Antarctic Treaty meeting in Australia last year, to prevent any threat to the survival of the living resources in waters surrounding the Antarctic. Opposition members said they saw no reason to oppose the introduction of the bill.  
[Text] [Auckland THE NEW ZEALAND HERALD 19 Aug 81 p 5]

CSO: 4220/407

## CONGRESS-I RULES OUT ELECTORAL PACT IN KASHMIR

New Delhi PATRIOT in English 3 Sep 81 p 4

[Text] Srinagar, Sept 2. AICC-I general secretary Vasantrao Patil has ruled out the possibility of an electoral alliance between the ruling National Conference and the Congress-I during the next Assembly election in the State which is speculated to be around the corner.

Replying to questions during his meeting with newsmen at Jammu yesterday, Mr Patil reiterated that the State Cong-I would continue to play the role of an opposition. He said that the recent talks between Prime Minister Indira Gandhi and Chief Minister Sheikh Abdullah did not envisage or necessitate any change in this role of the Cong-I.

Mr Patil dismissed NC president Dr Farooq Abdullah's recent suggestion for winding up of the State Cong-I as being 'childish.'

He announced that the Cong-I High Command had full confidence in and was satisfied with Mufti Mohd Sayeed's leadership of the State Cong-I. There was no question of any change in PCC-I leadership, he declared when his attention was drawn to local press reports purporting that hardliner Mufti was likely to be replaced by someone of the choice of Syed Mir Qasim who has been consistently opposing the line of confrontation against the Sheikh.

Mr Patil, who was in Jammu in connection with a convention of PCC-I told newsmen that the Cong-I attached 'no significance' to the recent critical utterances of the Sheikh against the Centre and Mrs Gandhi. The Sheikh is in the habit of making contradictory utterances from time to time and we do not give much importance to what he says, Mr Patil claimed. He, however, ridiculed the Sheikh's recent charge against Mrs Gandhi that she was 'promoting personality cult and thereby undermining democracy.'

Replying to a question Mr Patil remarked that the Sheikh's demand for reversion to pre-1953 level of constitutional relationship between the Centre and the State as also his suggestion for reopening of Srinagar-Rawalpindi road were 'his familiar tactics to arouse misleading sentiments in Kashmir around election time. He did the same thing in 1977 election and was trying to repeat it now also. We hope he will not be able to mislead the people for all the times,' Mr Patil said. He added that the Cong-I would go it alone in the election against the ruling party with the hope that "we will win more seats then and be in a position to form our own government."

CPI TO JOIN WEST BENGAL'S LEFT FRONT

New Delhi PATRIOT in English 4 Sep 81 p 1

[Text] Calcutta, Sept 3. Mr Biswanath Mukherjee, secretary of the State CPI, announced today that his party had decided to formally join the Left Front as its constituent party. Till now it was an ally of the Front.

This decision was taken by the State council of the party, in view of the fact 'conditions have been created' for greater Left unity.

Asked if the CPI will now join the Left Front Government in West Bengal, Mr Mukherjee said that the question will arise only after the next elections due in June 1982, while the CPI will fight as a constituent of the Left Front.

Asked if the decision to join the Left Front was unanimous within his party, Mr Mukherjee said that there were some differences regarding the timing of joining the Front, otherwise everyone wanted closer relationship with it.

Though Mr Mukherjee refused to confirm, it is widely known here that the Left Front, and particularly CPI-M, was keen to ensure CPI's participation in the Ministry.

UNI adds:

The CPI in West Bengal is joining a front with the CPI(M) as partner after a gap of over 11 years-since the dissolution of the United Front in March 1970. It allied with the CPI-M led six-party Left front in the last Lok Sabha elections.

A resolution adopted by the CPI council said it "believes its decision to join the Left front in West Bengal will not only strengthen the Left and democratic forces in the State but will also quicken the pace of unification of these forces in the country as a whole."

The Centre was mounting new attacks on the people in numerous ways and there were reasons to believe that the Central Government has not abandoned the ugly design of toppling the Left Front Government it said.

CSO: 4220/7691

## 'IMPRESSIVE' INCREASE IN CPI-M MEMBERSHIP REPORTED

Calcutta THE STATESMAN in English 2 Sep 81 p 16

[Text]

NEW DELHI, Sept. 1.—The all-India membership of the CPI(M) has increased by about 105,000 to 267,200 in 1981 from 161,000 in 1978, when the party held its 10th Congress at Jallianwala, according to the latest official figures available here. Evidently, the growth in the CPI(M)'s membership, over the years, has been quite impressive if not very rapid.

When the United Communist Party of India split in 1964, the CPI(M)'s membership was around 110,000. The party suffered a setback in the wake of the Naxalbari revolt, particularly in West Bengal when a sizable chunk of its cadres left the party to join the extremist movement in 1967. Considering the setback the CPI(M) has come a long way with the growth of its membership by 157,200 during the past 17 years (1964-1981).

The CPI(M) has strong bases in Kerala, West Bengal, Andhra Pradesh, whose units account for 227,700 out of the total membership of 267,200. (West Bengal 79,100 — Kerala 104,000 — Andhra Pradesh 14,000). Other States where the party has consolidated its following are Bihar (11,000), Tamil Nadu (19,000).

The CPI(M)'s membership in Kerala rose to 104,000 in 1981 from 67,500 in 1978. In West Bengal, it increased to 79,100 from 43,200. This may be partly because the Left Front Governments led by the CPI(M) are in power since 1979.

The party's base in Punjab, U.P., M.P., Rajasthan is becoming strong. Its membership is steadily rising, though not impressive. However, the CPI(M)'s growth in the country's industrial capital, Bombay, is not very encouraging. In fact, the Marxist party has apparently lost much ground in Bombay city. Its membership for the whole of Maharashtra rose to 3,300 in 1981 from 2,600 in 1981.

The figures of drop-outs from the party are not available at its headquarters here. It will be known at the time of the 11th party Congress to be held in Vijayawada in January next year. It is conceded that the percentage of drop-outs has not decreased since the Jallianwala party Congress in 1978.

With the shifting of the headquarters of the CPI(M) to New Delhi, the party's central leadership is now concentrating on speeding its base in the Hindi-speaking belt in northern India—U.P., M.P., Rajasthan, Himachal Pradesh, Haryana, Punjab, Jammu and Kashmir. With this end in view, the party recently organized schools for fresh recruits in cities and towns in U.P., Bihar, Punjab, M.P. and Jammu and Kashmir. The five-day party schools were held in June in Karnataka and Orissa, and were addressed by Politburo members, Mr. E. M. S. Namboodiripad and Mr. P. Ramamurthi.

CSO: 4220/7683

## CASE AGAINST MAHARASHTRA CHIEF MINISTER REPORTED

## Dismissed Minister's Charge

Calcutta THE STATESMAN in English 2 Sep 81 p 1

[Text]

NEW DELHI, Sept. 1.—Mrs Shanti Patil, who was dismissed as Revenue Minister from the Maharashtra Cabinet late last night, alleged here today that the Chief Minister, Mr A. B. Antulay's fund-raising and keeping the collections in "private trusts" amounted to an act of "misleading" the people and Congress (I) party.

Mrs Patil, who arrived here this morning, told reporters that she was going to meet Mrs Gandhi tomorrow to explain the "circumstances" in which she was removed from the State Cabinet.

She said she was surprised at the way she was relieved of her Ministership by the Chief Minister. Mrs Patil said the Chief Minister did not tell her the reasons for removing her from the Cabinet.

Mrs Patil said even if she had lost the confidence of Mr Antulay, she should have been given at least an opportunity to explain her position.

She added that she had said in Kolhapur on Sunday was nothing objectionable and did not contravene the discipline of the Cabinet. She had stated in Kolhapur if sugarcane farmers felt that their contributions had gone to a private trust, called Indira Gandhi Pratibha Pratisthan, and if they demanded their contributions back, the trust would have to return them to the farmers in the State.

Mrs Patil said she had brought with her a copy of a newspaper which had reported her speech. She added she was told on behalf

of the Chief Minister that he had dismissed her from the Cabinet on the basis of the newspaper report.

She said it was a fact that the Shetkari cooperative sugar factory had received hundreds of letters from cane growers, objecting to cut Rs 2.50 per tonne from the price of cane due to them. She added that she did not know until very recently that many trusts Sealed by the Chief Minister were registered as "private trusts" and Mr Antulay was chairman of all of them.

PTI add: Sources close to Mrs Patil doubted if Mr Antulay had obtained the permission of the party High Command to ask the Governor to dismiss her.

Meanwhile, 22 Congress (I) MLAs from Maharashtra, led by Mr Suchakar Naik, nephew of V. P. Naik, today met Mr G. K. Moopanar, AIJC (I) general secretary.

They submitted to him a memorandum containing details of the controversial fund collection by the trusts floated by Mr Antulay.

UNI add: Mr Vasantrao Patil, Congress (I) general secretary, today declined to comment on the dismissal of his wife from the Ministry. "I would not like to say anything about Maharashtra politics", Mr Patil told reporters.

Mrs Gandhi was fully posted with the situation in Maharashtra and "it is for her to take a decision", Mr Patil added. He declined to comment on Mr Antulay's fund collection, saying: "No comment."

## Demand for Probe Rejected

Calcutta THE STATESMAN in English 3 Sep 81 pp 1, 9

[Text]

NEW DELHI, Sept. 2.—The Union Finance Minister Mr. R. Venkataraman, today rejected, almost casually, the demand for an inquiry into the raising of funds by the Maharashtra Chief Minister, Mr A. R. Antulay. He was replying to a call-attention motion in Parliament.

"We cannot accept the demand or a roving inquiry," he told one member. And repeating it second time, he added: "No *prima facie* case has been made, so why a commission of inquiry?"

The Finance Minister's reply to the often turbulent discussion on the call-attention motion was far from unequivocal or convincing, and a bunch of technicalities not merely left the matter wide open but added to the existing general suspicion about it.

It seemed also significant that Mr Venkataraman should have made a special effort, as he did, to convey that the naming of one of the trusts after Mrs Gandhi did not have her approval and that when she learnt of it, she promptly asked for removal of her name from that of the trust.

Significantly, Mr Venkataraman added: "I am informed on very reliable authority that the Prime Minister did not inaugurate this trust."

All this was no defence of Mr Antulay's actions.

To the specific Opposition charge that collections for the trusts were little short of extortion, Mr Venkataraman's palpably weak reply in the Lok Sabha was that "we have not heard a single complaint from the persons concerned" to that effect. Also, he said, almost in passing, there had been no misuse of authority.

Had the funds been used for political purposes? His answer was interesting. The Chief Minister had denied it, and "when a Chief Minister denies something, it is not for any to doubt that denial."

As for the income-tax exemption granted to the Indira Gandhi Pratibha Pratishthan, the Finance Minister's explanation was that so long as the trust conformed to the Bombay Public Trusts Act, it qualified for such exemption. "Nothing wonderful had been done in this case: hundreds and hundreds of such exemptions are granted each day."

On the question whether the Pratibha Pratishthan was a public trust or a private one or whether it was set up by the State Government, his answer was that creation of the

trust by the Government had been indicated by the Maharashtra Finance Minister in his Budget speech in March in the State Assembly "and once the State legislature has received this information, I do not think Parliament can in propriety consider this matter."

On cement distribution (which had reportedly yielded sizeable funds for the trust), Mr Venkataraman said that only 12 people who were allotted 2000-odd tons—out of the total number of 462 people who were allotted a total quantity of 32,225 tons—had made donations to the Indira Gandhi Pratibha Pratishthan.

Was there a suggestion of bribery in this matter, as Opposition members charged? "In none of these cases is there any causal connexion between the allotment of cement and the donation."

And if cement was being sold at a high premium on the black market, it was because of a fall in production in 1979, a pro rata reduction in allocation to States during the past year, and "an undoubtedly shortage in the country."

Mr Venkataraman's deputy, Mr Maganbhai Barot, gave out some very revealing information about the Indira Gandhi Pratibha Pratishthan.

The trust was constituted, he said, on October 18, 1980. An application for its registration was made on November 21. Registration took place three days later, on November 23. That same day, an application for income-tax exemption was made, and the exemption granted.

That kind of thing, Mr Barot suggested, was common.

The four-hour discussion in the Lok Sabha was marked by insistent points of order (few of them upheld), repeated interruptions from Congress (I) youngsters and independent demands by the Speaker, Mr Balram Jakhar, for order in the House.

Mr Jakhar did, however, manage to keep the House under control as long as he was in the chair. His deputy, Mr G. Lakshmanan, who

hardly as fortunate. And towards the close of the discussion, there were heated exchanges between him and the entire Opposition over his disallowing the reading of a document by a CPI(M) member. That ugly situation lasted almost half an hour, and seemed to be aggravated by the Deputy Speaker's own shifting position on the question.

At one stage, most of the Opposition members crowded the first two rows, arguing heatedly with the Chair. At least three of them chanted slogans against the Deputy Speaker. Their objection was, that when other sponsors of the call-attention motion had been allowed to quote from documents, why couldn't the CPI(M) member?

One moment there seemed to be an irresolvable deadlock, but the next moment, almost miraculously, the situation changed and the discussion was resumed.

The motion was sponsored by Mr. N. K. Shetwalkar (BJP), Mr. K. P. Unnikrishnan (C-U), Mr. Zainul Rehman (C-I), Mr. Rashid Masood (LD) and Mr. Sunil Motra (CPI-M).

The discussion lost much of its interest halfway through and it was not as heated as one expected it to be. One reason was that the discussion was circumscribed by the way the motion was worded: "The reported irregularities in the matter of granting income-tax exemptions to certain trusts in Maharashtra and mal-distribution of essential commodities like cement in the State". The motion in the Rajya Sabha was an identical one.

Several members including Mr. Indrakishan Gupta and Mr. Unnikrishnan and Mr. Harikesh Bahadur demanded that all the points raised in all the motions given notice of in this respect should be covered by the Minister replying to the

motion. And they cited a ruling by Ananthasayam Ayyangar in 1968 in support.

The Speaker however held that the Minister could reply only to the points raised in the "consolidated" motion admitted for discussion.

The visitors' galleries, like the Press gallery, were packed. And the Rajya Sabha members' gallery was almost full.

For a change, Mr. Zainul Rehman (C-I) talked of Mr. Charan Singh's Khan trust, the Deen Dayal Upadhyaya Institute, the courses presented to the BJP leader, Mr. Atal Bihari Vajpayee, the Vaidikam Commission's report and the West Bengal, Kerala and Tamil Nadu Governments. Mr. Vajpayee laughed away what was said about him. But the CPI(M) members were not amused at the references to corruption in Kerala and West Bengal and that led to noisy exchanges.

Mr. Venkataraman, in his reply to Mr. Basher, told him that the scope of the motion was limited, and that he would supply information on the points raised by the member if the latter tabled separate questions relating to them.

The last speaker on the motion, Mr. Sunil Motra, sought to reply to the charges made by Mr. Basher, and began making some counter-charges, which led to a fresh uproar especially as he quoted what former the U.S. Ambassador to India, Mr. Moynihan had said in a book about a party.

The discussion began at noon. Skipping lunch the Lok Sabha sat until 4 p.m. to complete the discussion. This was the first time in recent memory that a call-attention discussion took four full hours.

#### Background on Antulay

Calcutta THE STATESMAN in English 3 Sep 81 p 8

[Commentary by S. Sahay: "A Close Look: Mr Antulay, the Fund-Raiser"]

[Text]

**M**MR. Abdur Rahman Antulay, the Maharashtra Chief Minister, continues to occupy the centre of the stage. He has followed up his admission to the members of the "intelligentsia" he had managed to collect in Bombay that he prided being called a sycophant and that indeed his loyalty was not only to Mrs. Gandhi but to the Nehru family as a whole with admission of another kind, that he is a no-holds-barred fund-raiser.

He told a meeting of Maharashtra M.P.s in New Delhi that

he had indeed been collecting funds, but, unlike in the past when funds used to be collected secretly, he had been doing things in the open. In any case the funds were intended for the development of the backward region and upliftment of the poor and the needy. Although he also told the meeting that he had collected the funds in the interest of the Congress (I), he subsequently denied this. The Statesman's initial report on his talks with the Maharashtra M.P.s may have caused problems

for him.

Even at the Delhi meeting some M.P.s had pointed out that acceptance or demand of money from contractors, business men and others for showing undue favours amounted to open corruption. If money had to be collected for the party, there were better ways of doing it. However, Mr. Antulay has now disclaimed any deals with contractors or business men, in particular over the allocation of cement. Such money as has flowed into the coffers has been

paid voluntarily, is his argument. But what he has not denied is the creation of several trusts and collection of large funds, amounting to crores. What he has further denied is that the funds are intended for any political party or purpose.

## PURPOSE

This makes his position worse. What is the money being collected for? If it is indeed intended for the development of the backward region, is he trying to create a parallel Planning Commission or development board? And how is he going to ensure its accountability to the people? Of the money already collected, how much has gone to the poor?

In any case facts belie Mr Antulay's assertions. In an admirable piece of investigatory work, Arun Shourie of The Indian Express has collected the names of the trusts created by Mr Antulay, their aims and objects and the amounts received through cheques.

Of the seven trusts mentioned by Shourie (indeed there are said to be about 12) one has been named after Mrs Gandhi and its specific purpose is to help out poets, authors and critics, as also singers, dancers, tamasha and nautanki men. The second is named after Sanjay Gandhi and its specific purpose is to help the poor. The third is named after the region Mr Antulay comes from, Konkan; the fourth after the district he comes from, Raigarh; the fifth after his constituency, Shriwardhan; the sixth after his taluk, Mhasa; and the seventh after his village Ambet. In varying degrees these seek to promote the cause of the people and the areas dear to him. Here then is a Chief Minister not so much concerned with the State as a whole but with his own prospects and his own people. Self-interest requires that Mrs Gandhi be kept in good humour, hence the trusts in her name and that of Sanjay. Self-interest requires too that the village, constituency, taluk, district and region one comes from be kept happy and prosperous.

Self-interest further requires that the trusts must not be tied with the office of Chief Minister. Mr Antulay must continue to manage them whether in or out of office. The trusts are not public trusts but private ones. Take the case of the Indira Gandhi Pratibha Pratishthan. Mr

Antulay, "hereinafter called the settler", is the chairman of the trust in his private capacity and so are the members, who are Mr Antulay's friends. The Chairman has absolute powers to amend, alter or abrogate all the provisions of the trust or to amalgamate it with any other trust or institution. He has the absolute power to expand the number of trustees or to expel any or all of them. He alone has the authority to direct, supervise and control the trust and his decisions on all matters will be final. This, one may reasonably assume, must be the character of the other trusts too.

## SCENARIO

Here then is the scenario of a young and ambitious Chief Minister creating, on the face of it legally, trusts with large funds over which he has absolute control. He is accountable to no one, neither to the party nor to the State. What happens after he ceases to be Chief Minister? The funds remain with him legally and truly and there can be no danger of a CBI inquiry, income-tax raids or threats of exposure, as has happened in the case of others who have fallen from grace. Since in today's politics money is power, virtually a substitute for the old-fashioned grass-roots following, its implications can be imagined.

Thus, while continuing publicly to proclaim his loyalty to Mrs Gandhi ("her wish is always a directive to me"), Mr Antulay has been losing no time in creating his own independent base, solidly founded on money. And the trusts are only part of the story. How much of non-trust funds may be reaching him can be anybody's guess. The Statesman's own inquiries have revealed a spurt in smuggling activities in Maharashtra and the patronage smugglers receive from politicians. This one may assume, can only be for a consideration. It is common knowledge that some smugglers have taken to building construction and cement is one of the items on which the Maharashtra Chief Minister has been receiving payments, "voluntary donations" as he calls them. Sugar and industrial alcohol are other such items. It needs to be emphasized that in order to be able to receive these "voluntary donations", Mr Antulay has had to transfer to himself all decision-making powers concerning sugar,

alcohol, cement and building construction including allotment of land.

Creating trusts has been one aspect of Mr Antulay's strategy. Another has been to keep State legislators happy. The salaries and allowances of the MLAs have been increased. Their daily allowance has been raised from Rs 31 to Rs 51. Their monthly salary has been raised to Rs 500 a month. Each MLA has been sanctioned Rs 500 a month for maintaining a personal assistant who could be an MLA's wife, son or daughter. An MLA is allowed the use of a Government car seven days in a month for touring his constituency. If he does not use a Government car, he is paid Rs 670 a month in cash. Accommodation in the hostel in Bombay is free. This must look swell even to Members of Parliament.

Then there are the known methods of favouring legislators, such as making them Chairmen of Corporations. The Chairman of the Sanjay Niradhar Yojana has the authority to sanction Rs 60 a month as pension to disabled and old persons. There are thousands of applicants for it. The Chairman of the Sanjay Swalamban Yojana can sanction up to Rs 2,500 as loan, to be repaid after 10 years. And then there are the 50 statutory Corporations in which MLAs have been, or will be, appointed Chairmen. Every MLA has been given the power to recommend two liquor shops in his constituency and his recommendation is binding on the Excise Department. This smart, Mr Antulay holds his own daily "durbar", doling out small sums to the poor. There are persistent rumours, though there is no way of checking them, that Mr Antulay has also been handling petro-dollars sent to this country for one cause or another.

Thus, Mr Antulay has been speedily building up his base in a manner that he will continue to be a leader, if not Chief Minister, in his own right. This cannot possibly have pleased Mrs Gandhi or the Congress (I). High Command. Mrs Gandhi has already told Mr Antulay not to use her name in collecting funds and, obediently, Mr Antulay has announced the decision to change the name of the Indira Gandhi Pratibha Pratishthan.

However, it is a sad commentary on the country's ethical

mores that while a petty or a senior Government employee should face prosecution and jail for bending his office for personal ends, a Chief Minister should not only continue to hold office but seemingly hold his head high. Or predict that if democracy dies in this country the Press will be the cause of it. Democracy, apparently, demands that Mr Antulay continues to have his way without any question being asked.

### MENTALITY

The other day Mr Antulay accused those who value the Westminster type of parliamentary democracy of having a "slavish mentality". Presumably, independence lies in doing what one likes, right or wrong, including a chronic misuse of office. Is it part of the national ethos that a Chief Minister should bend his office, extract money for personal ends?

Regrettably, the reaction of Congress (I) men to Mr Antulay's admission has not been of moral shock but of a tactically bad utterance. One report suggests that since Mrs Gandhi had presided over the inauguration

of the Indira Gandhi Pratibha Pratisthan, she knew what Mr Antulay was up to, but it is difficult to believe that she could have been aware of the sort of trusts he had created or of the number of them and the manner of raising the funds. At any rate, she cannot be unaware of Mr Antulay's grand design of being, by hook or by crook, a leader in his own right, with immense funds, to distribute.

It is in character with today's political moves that, even after realizing that Mr Antulay has let down Mrs Gandhi and the party, the Indira Gandhi Government should have decided to defend Mr Antulay in Parliament on technical and legal grounds. It was stated by the Finance Minister that there existed a high-powered committee to distribute cement and that the Chief Minister was not a member of the committee and that the directive to sugar co-operatives to pay to the Government came not from the Government but from the Federation of the Sugar Cooperatives. Defence of the ind-sensible, especially where ethical norms are concerned, cannot improve the image of the Congress (I).

CSO: 4220/7686

HOME MINISTER DISCUSSES FOREIGN-FUNDED GROUPS

Calcutta THE STATESMAN in English 3 Sep 81 p 9

[Text] New Delhi, Sept 2--Mr Yogendra Makwana, Minister of State for Home Affairs, today denied in the Lok Sabha any "political victimization" against the Gandhi Peace Foundation, reports PTI.

The denial came in reply to a supplementary by Mr Niren Ghosh who wanted to know whether an inquiry had been ordered against this Foundation because the name of Jayaprakash Narayan was associated with it.

Mr Makwana said there was no substance in the allegation. The Lok Sabha had discussed and passed a resolution only last week. All sections of the House participated in the discussion which related to the misuse of funds by the Foundation.

Mr Ghosh also wanted to know what the Government was doing regarding funds from abroad being given to several voluntary organizations some of which indulged in movements such as in Assam or secessionist activities.

Mr Makwana said a constant watch was kept on the organizations which received funds from foreign agencies.

He told Mr Dharam Bir Sinha that there were 5,000 organizations or associations which were receiving funds from abroad.

He agreed with the member that the leading members of some of these voluntary organizations were common and exercised control over a number of such organizations.

Mr Makwana said each association was required to submit an annual audit report under the Foreign Contribution (Regulation) Rules of 1979 certified by a chartered accountant to the Government of India.

Information on the source and the manner in which foreign contribution was received by the voluntary organizations and how it was utilized was furnished to the Government twice a year. But some instances where these organizations had indulged in objectionable activities had come to the notice of the Government, he said.

CSO: 4220/7686

LOK SABHA DISCUSSES RELATIONS WITH PRC

New Delhi PATRIOT in English 4 Sep 81 p 5

[Text] Preparations for a Sino-Indian meeting at the official level were being made in consultation with the Chinese Government, External Affairs Minister P. V. Narasimha Rao said in the Lok Sabha on Thursday, reports PTI.

He told Mr R. N. Rakesh and Mr Manmohan Tudu that the Chinese side acknowledged that the border was a major problem between the two countries and accepted India's basic proposition that progress in the relations could not be completed as long as the boundary question remained unresolved.

Noting that the boundary question figured in the June talks with the Chinese Foreign Minister Rao said: "It has been agreed that further discussions should be held. We shall send a delegation within the next few months for discussions."

Mr Rao said China had under illegal occupation approximately 14,500 sq miles of Indian territory in the Ladakh region. In addition, as a result of an illegal border agreement between Pakistan and China, China was in occupation of an area of about 2,000 sq miles of Indian territory. The land in these areas had remained undeveloped, he said.

In reply to another question, Mr Rao said the Government was not aware of the details of the discussions between former External Affairs Minister A. B. Vajpayee and the Chinese Foreign Minister during the latter's recent visit to India.

The meeting was at the request of the Chinese Minister. The Government presumes that it was a courtesy call.

As far as Government was aware, there was no meeting between the Chinese Minister and any other political leader, Mr Rao said.

In the Rajya Sabha, Minister of State for Defence Shivraj Patil said India was aware of the moves for Sino-US defence collaboration.

He said all developments were being closely monitored and appropriate measures taken to maintain full defence preparedness.

CSO: 4220/7691

COMMUNIST PAPER REPORTS REJECTION OF GRIFFIN

New Delhi PATRIOT in English 3 Sep 81 pp 1, 9

[Text] India has conveyed to the U.S. Government that it would not accept the appointment of Mr George B. Griffin as the Political Counsellor of the US Embassy in New Delhi.

The reasons behind New Delhi's action are the diplomat's alleged CIA connections and what has been described as his "difficult attitude" towards India.

The decision has further soured Indo-US relations already strained by the hardening attitude of the Reagan Administration towards India in the regional context and over the deadlock on the supply of nuclear fuel to Tarapur, and Washington has taken a retaliatory measure. The US State Department announced that it had barred a senior Indian diplomat from being posted as Political Counsellor of the Indian Embassy in Washington.

Last December, this newspaper was the first to disclose Mr Griffin's frequent visits to New Delhi from Kabul (where he was posted as the Number Two in the US Embassy) to brief foreign and "friendly" Indian correspondents about an alleged "Afghan invasion of Pakistan engineered by the Soviet Union" and instruct them to quote "Afghan Government sources" to substantiate the charge. The allegation on this score was based on CIA assessment of Afghan developments.

The spokesman of the External Affairs Ministry said on Wednesday that India had decided to seek reassignment of Mr Griffin after a "careful evaluation of his activities" during his postings in India, Pakistan and Afghanistan over a period of years.

The late CPI leader Bhupesh Gupta had also warned the Rajya Sabha against Mr Griffin's activities sometime ago this year.

Meanwhile, political observers in the Capital on Wednesday characterised US attempts to conduct unauthorised intelligence activities in India as "gross interference" in India's internal affairs, particularly when India was trying to improve relations with Washington.

The observers said the US was adopting double standards and did not seem to have any genuine intention to mend fences with India.

They said while US permanent representative Jeane Kirkpatrick was sent to Delhi recently to have discussions with Indian leaders, the US was at the same time trying to hasten supplies of F-16 fighter bombers to Pakistan. This clearly spoke of the American intentions in this region, the observers added.

In his memoirs, in the chapter dealing with the Indian subcontinent, former US Secretary of State Henry Kissinger without revealing any name, has written that during the trouble in Bangladesh, then East Pakistan, the US was maintaining contact with Bangladesh representatives. This reportedly alludes to Mr Griffin. In his book "Unfinished Revolution," Mr Lawrence Lieischultz an American Journalist then in India, mentions Mr Griffin by name as one who was involved in the intelligence activities in Bangladesh.

In response to queries from newsmen, the spokesman of the External Affairs Ministry expressed India's resentment over US insinuation as reported by a foreign news agency that the decision was taken at the instance of an outside power.

India's decision was taken with due deliberation and after careful evaluation of Mr Griffin's activities during his various postings in India and the sub-continent over a period of years.

"It is incorrect to suggest," the spokesman said, "that views information or pronouncements made by any other country played a part in India's decision."

No outside views or pronouncements had anything to do with the decision. Any such conclusion or insinuation, he said, is resented by the Government of India.

India's motivation in refusing to accept Mr Griffin's appointment was to avoid unnecessary friction being introduced into bilateral relations with the United States "which we value and have always sought to strengthen" the spokesman said.

CSO: 4220/7689

STATISTICS ON CRIMES AGAINST HARIJANS GIVEN

New Delhi PATRIOT in English 4 Sep 81 p 5

[Text] Minister of State for Home Yogendra Makwana told the Rajya Sabha on Thursday that 13,745 instances of crimes against scheduled castes in 1980, says UNI.

Till July this year, 5,724 scheduled castes have been victims of crimes.

Maximum such crimes were reported from UP, he added.

Mr Makwana told Mr G. C. Bhattacharya that about 2,000 Harijans in Tamilnadu had changed their religion to Islam since February, 1981. Some isolated cases of similar conversions had also been reported from some other parts of the country.

Mr Makwana said social disabilities had been cited as the main reason in some instances.

He said the government was aware of the socioeconomic conditions of the scheduled castes and had continuously undertaken various measures to mitigate their problems.

Mr Makwana said recently, the government had drawn up comprehensive schemes for bettering the economic conditions of the scheduled castes. The states had also been asked to implement land reform measures and also to solve matters pertaining to land disputes and wages of agricultural labourers promptly.

CSO: 4220/7691

## BENGAL CHIEF MINISTER ADDRESSES LEFT FRONT

Calcutta THE STATESMAN in English 2 Sep 81 p 1

[Text]

Mr Jyoti Basu on Tuesday advised MLAs of the Left Front to behave in a more responsible and restrained manner in the current autumn session of the West Bengal Assembly.

Addressing Left Front legislators on Tuesday at the Assembly House, the Chief Minister said that this was necessary since the Assembly elections were only a few months away and the Opposition, especially the Congress (I), might try to provoke and cause discomfiture to the treasury benches on some issues.

He asked them not to say or do anything which would cause embarrassment to the Left Front.

The Chief Minister said that it was found that Ministers were often absent from the House when some issues concerning their departments were being discussed. Questions asked by members and points made by them during the question hour were not taken seriously by some Ministers who rarely informed the members about the follow-up action taken by their

departments. This, he reportedly said, should not happen.

The mood at Tuesday's legislature party meeting was different from that in all the previous meetings since some members raised uncomfortable questions concerning some Ministers. One MLA wanted to know the reasons for the poor performance of the Santaldih power plant and its recent shutdown. Mr Basu said that as an inquiry regarding Santaldih was already under way he would not make any statement on the issue.

A CPI(M) legislator tried to make a complaint against an RSP Minister but this was disallowed by the Chief Minister saying that this was not the forum to discuss the matter. The MLA, feeling aggrieved, left the meeting. Some of the Front legislators complained that replies given by Ministers to questions raised in the House were not only unsatisfactory and ambiguous but also aggressive in nature. They also did not do their homework and were caught napping on many occasions, the MLAs complained.

The Chief Minister said that the

Congress (I) members might try to raise the issue of the Governor's resignation in the House but this could not be done according to the rules.

Mr Basu later told reporters in his Assembly chamber that though an official confirmation of the Governor's resignation was yet to arrive, he knew that the Governor's resignation had been accepted. "How else are we giving him the farewell?" Mr Basu asked. He said that the new Governor's name would be announced in the next few days.

Regarding the Left Front sponsored bandh on September 11, the Chief Minister said that Government offices would remain officially open. "But if the employees and others responding to the bandh call did not report for duty, what could the Government do? It could not make them come to work at bayonet point", the Chief Minister said. He, however, said that necessary administrative steps were being taken to ensure that there was no law and order problem on that day.

CSO: 4220/7686

## AUSTRALIAN TRADE GROUP LEADERS TALK TO PRESS

Madras THE HINDU in English 2 Sep 81 p 6

[Text]

NEW DELHI, Sept. 1

India has sought a long-term arrangement from Australia for getting coking coal required for its steel plants.

India now imports around 1.3 million tonnes coking coal a year on the basis of short-term contracts. The proposal for a long-term contract was made at the talks which a visiting Australian trade survey mission had here with Government officials on Monday.

Dr S. Bambrick, a member of the Australian mission, said huge investment was envisaged by Australia in the mineral sector and it should be possible to enter into long-term contracts for supply of coking coal to India. The Indian proposal would be conveyed to the mining firms for follow-up.

Asked whether India could participate in production of coking coal in Australia and buy back the coal, Dr. Bambrick told a press conference here that the Australian Government allowed foreign participation in such projects, provided its share was not less than 50 per cent. In fact, Australia welcomed participation by customer firms as that would facilitate marketing.

Scope for more trade: Mr. J. B. Gough, leader of the team and Managing Director of Dunlop Olympic, said that their week-long visit to different projects and the talks with the Government and the industry had brought out the potential that existed for increasing the two-way trade between the two

countries.

He said Australia now bought from India only one per cent of its total imports and exported to India only one per cent of the total exports. This was small compared to the potential.

The mission was, therefore, sent by the Australian Government as a follow-up of the visit of the Australian Deputy Prime Minister to India in June last to explore ways of expanding trade. The mission consisted of non-officials representing different industries.

Mr. Gough said the members were impressed by India's progress in agriculture, agricultural research and in the industrial field.

One of the potential areas of cooperation identified by the mission was the worsted fabric industry. He said Australia could supply wool from which India could make worsted fabrics. There was potential for India to become a major worsted fabric exporter.

He did not agree with the view that the recession in the western countries would affect the market for worsted fabrics. The recession might affect only 3 per cent of the market.

Cements in demand: Mr. B. P. Bradbury, another member who owns a big retail trade organization, said that the prospects for Indian sports goods, garments and processed foods like mango juice were very good in Australia. It was upto India to conduct market research and supply the kind of products in demand.

Mr. Samuel Burton, another member, and vice-president of the Confederation of Australian Industry, said India could

supply small tractors to Australia.

During the visit to two tractor units in the Punjab the mission saw a 10 HP tractor which would be suitable for Australia. India should display its tractors at the annual exhibition held in November in New South Wales at which farmers assembled in large numbers and made up their mind on the type of tractor to buy.

There was scope for Indo-Australian cooperation in agricultural research. He was convinced of this after seeing the good work being carried out at the two agricultural universities in Punjab and Haryana, the National Dairy Research Institute at Karnal and the sheep breeding station at Hisar.

Tourism: The mission also identified tourism as a potential area of foreign exchange earning by India. Mr. R. L. Cooper of Ansett Transport Industries, said that the Australian people knew little of India as a tourist destination. Australian tourist traffic to India could be developed if package tours were organised.

Another potential area for collaboration identified by the mission related to joint tendering by India and Australia for projects in third countries. Mr. L. M. Petrie said India bid mostly for projects in West Asia while Australia concentrated on developing countries in the Asian region. There was scope for the two work together.

One of the members said India could bid for setting up power projects in Australia.

CSO: 4220/7684

AIR FORCE OFFICERS' RETIREMENT AGE RAISED

Madras THE HINDU in English 2 Sep 81 p 16

[Text]

NEW DELHI Sept 1

The Centre has decided to raise the retirement age of Air Force officers of the flying branch as recommended by Chief of the Air Staff Air Chief Marshal I. H. Lalvji who has just retired.

The retirement age of these officers, the lowest among the three Services, has now been increased by two years for wing commanders, group captains and air commodores.

The retirement age of officers of the rank of Air Vice Marshal of all the branches of the IAF has been increased by one year and that of the Air Marshal of all the branches by two years.

The tenure system has been abolished in respect of all ranks except Air Marshals.

**Flying pay increased:** The flying pay of the air crew both officers and air men has been substantially increased. Most of the increased flying pay will have to be used by the aircrew for obtaining

additional life insurance cover through the group insurance scheme.

It has also been decided to extend the above measures to aviators of the Army and Navy as well. Submariners of the Navy too will benefit.

The Government will grant a special allowance of Rs 250 to test pilots on appointment. This allowance is over and above the flying pay admissible to all pilots.

The Government has also accepted, in principle, the grant of technical pay to highly qualified aeronautical engineers of the Air Force. Similar benefits will be extended to engineer officers of the other two services.

The scheme envisages technical pay on a graded scale admissible to officers who have post-graduate qualifications in engineering or to those who have qualified in advanced technological courses of long duration. The maximum amount admissible to an officer will be Rs 250 a month.—PTI

CSO: 4220/7684

## NORTHEAST NEED TO COORDINATE INTELLIGENCE STRESSED

Calcutta THE STATESMAN in English 2 Sep 81 p 6

[Text] Gauhati, Sept 1--Inspectors-General of Police in the northeastern region with their top intelligence experts are meeting in Shillong on Thursday and Friday to discuss regional security with emphasis on coordinating measures to combat extremist activities.

The process began during the Governorship of Mr L. P. Singh with a meeting attended by the security adviser to the North-Eastern Council. The meeting was exploratory but the coming discussions may centre on pooling of data, analysis and feed-back.

The need for intelligence coordination among the States and Union Territories, "seven sisters," is underlined by the increasing evidence of links among the extremist groups which evidently are more mobile than thought to be.

It is confirmed that young men from Assam have had training with insurgent groups such as Muivah's and some of them are believed to have returned to their home base.

According to sources the traffic through Tirap which made the former Lieutenant-Governor of Arunachal Pradesh, Mr Haldipur camp in that district for a week is allowed in stages with guides to take the groups across lonely terrain.

A new flag in red and white with a map of the north-eastern region and seven stars have been seen in the Brahmaputra Valley. It carries the inscription, Gana Prajatantra Morcha, which freely translated would mean the people's liberation front.

One cannot say for certain when these flags appeared but some were hauled down on Independence Day. One was detected at a place in Darrang district.

Two bombs were defused under a culvert 8 km from Morhat recently. Some criminals had collected 100 litres of crude from the pipeline apparently by punching a hole in it but were caught.

Labour trouble erupted in Assam's sole cotton mill at Charduar two days ago and the police had to resort to lathi-charge in which 11 people were injured.

Our Correspondent in Shillong adds: The influx of foreign nationals into Meghalaya from across Bangladesh, particularly in the Garo Hills sector, has been causing concern in political and Government circles. The Government has set up several committees at different levels first to identify foreigners then to take steps for their deportation.

CSO: 4220/7683

## OFFICIALS' 'POWER WITHOUT ACCOUNTABILITY' DEPLORED

Bombay THE TIMES OF INDIA in English 2 Sep 81 p 8

[Commentary by Girilal Jain: "Ruling Party Luminaries: Power Without Accountability"]

[Text]

IT has often been said in criticism of the press that it exercises power without responsibility, which "is the privilege of the harlot." The time has perhaps come when it may be legitimate to pose the question whether the same criticism can apply to the Congress (I) leaders in office.

As things are, Mrs. Gandhi wins the election for the party on the sheer strength of her personality — her appeal to the people, her skill in keeping her opponents off balance and her stamina which enables her to travel all over the country day after day and night after night with at best a couple of hours of rest. She ensures that ministers and chief ministers, once chosen and appointed, are not harassed by party legislators. This makes them virtually invulnerable to criticism from not only the opposition and the press but also from their own partymen.

The chief ministers have an additional advantage. They enjoy enormous powers of patronage. In addition to their right to appoint ministers, ministers of state and deputy ministers and reshuffle their cabinets whereby they can reward their cronies and punish their critics in the ruling party, they can create a large number of well-paid jobs for legislators as chairmen, executive directors and directors of government-controlled and government-supported corporations and committees. This can help even the most incompetent among them to keep a majority of party MLAs on their side.

## INCOMPETENT

Mr. Jagannath Pahadia, former chief minister of Rajasthan, is a case in point. Hardly anyone will dispute that it is difficult to recall a more incompetent chief minister since independence. Yet, he had managed to assure himself of the support of a majority of Congress (I) legislators. Thus, but for the Congress high command's firm decision to insist on his resignation, he could have stayed on.

On the face of it, Mr. Pahadia's case disproved the theory that chief ministers are in effect not accountable to anyone. After all, Mrs. Gandhi, it can be argued, finally removed him just as she had earlier removed Mr. Kamla-pati Tripathi and Mr. V. C. Shukla from the Union cabinet. But while Mr. Pahadia's lack of qualities of leadership was evident within weeks of his appointment as chief minister, it took Mrs Gandhi a whole year to make up her mind to pack him off. During that one year, he could have done almost whatever he liked. The Congress (I) legislators in the state could not have restrained him. Many of them may not even have been interested in restraining him, so permissive has become the political climate in the country.

Despite her reputation for ruthlessness, Mrs. Gandhi is essentially kind-hearted towards those who have stood by her and swear loyalty to her. She is prepared to ignore their weaknesses for a long, long time and forgive them a lot. She has appointed as central

ministers, chief ministers, ambassadors, governors and members of the Rajya Sabha men and women of less than average ability just because they have been persistent in pressing their claims on her. She generally reserves her ruthlessness for those who challenge her position, above all from within the party — the so-called Syndicate in 1969 and the critics of the emergency and its excesses in 1979.

Mrs. Gandhi also does not possess an adequate machinery which can keep her fully posted with the doings of ministers and chief ministers. On the face of it, this is an untenable proposition. She meets a large number of people day after day and is willing to listen to them. And then the Intelligence Bureau is at her disposal. But how many of those she meets are willing to speak freely and frankly? How many of them can claim to be reasonably well-informed and sufficiently objective, dispassionate and non-partisan in their assessment? How many of them is she willing and able to trust? How free do IB men feel to collect information on the doings of Congress (I) leaders and the IB chief to communicate it to her?

One with long experience in the Intelligence Bureau tells me that while its officers keep an eye on the activities of the luminaries of the ruling party in order to find out whether the latter are in any way compromising national security, they do not as a rule put their

findings on record as they do in the case of opposition leaders and others who attract their attention. They communicate the information they collect on the ruling party leaders to the director who may or may not pass it on to the home minister or the Prime Minister. He has access to the Prime Minister. But how often does he meet her and how far does he feel free to tell her what he may think she may not wish to hear? All an outsider can say is that the atmosphere in the corridors of power is not conducive to frankness. Fear and uncertainty have strengthened the tendency to play safe among bureaucrats.

## HARASSMENT

Then there is the question of the competence of the intelligence agency itself. It is difficult to take the IB's efficiency for granted in view of the harassment its men have gone through since 1977 when there was a change of government in New Delhi, the manner in which its former director was pilloried at the Shah Commission hearings, the large-scale transfers in recent years, their natural reluctance to court the displeasure of those in office and the rise of trade unionism in its ranks.

In India, as in China under Chairman Mao Zedong, politics has been in command, though mercifully not to the same extent. The result in terms of the demoralisation of the administration has perhaps not been as disastrous as in China, but it has been serious enough. Time-servers and sycophants willing to disregard or bend the rules at the behest of their political masters have prospered while men of ability and integrity have got pushed aside. Not to speak of ministers and chief ministers, even legislators have come to enjoy the power to mani-

pulate the administrative machine to their advantage. It will be highly surprising if the IB has escaped this corrosive process.

So effective has been the campaign against Mrs. Gandhi that even those not ill-disposed towards her tend to assume that she does not mind wrong-doing by ministers and chief ministers. The theory is that since they owe their office to her, they would not dare act the way they do if she disapproved. This is accompanied by the belief that she is fully aware of what is going on not only in New Delhi, but also in state capitals. The reality is quite different.

Mrs. Gandhi is not a front behind which clever men and women can feather their own nests. This description of her by a fairly good observer of the Indian scene for two decades is an exaggeration. But no one individual can effectively enforce accountability in such a vast army of ministers without resorting to Stalinist terror which is, of course, out of the question in a "soft" democracy like India.

## TECHNIQUE

The cleverer among the Congress (I) leaders have also developed a technique of keeping Mrs. Gandhi reasonably well-disposed towards them. Till June last year, they spoke highly of Sanjay Gandhi day in and day out. Now they proclaim Rajiv Gandhi to be their leader despite his reluctance to accept the honour from them. Mrs. Gandhi is critical of the press and the judiciary. So they make it their business to denigrate these institutions in the strongest possible language. This may or may not endear them to her. But it creates the impression among the people that they enjoy her favour and this is enough to protect them for a long time because Mrs. Gandhi is never in a hurry to let the people

know what she in fact thinks of a particular individual.

The Congress (I) leaders are able to take advantage of another trait in Mrs. Gandhi's character. When one of her colleagues comes under attack from the opposition or the press or both — for example, Mr. L. N. Mishra and Mr. Bansilal before the emergency — she regards it as her duty to come to their rescue, however serious the charges against them. In 1974, she could perhaps have taken the wind out of Mr. Jayaprakash Narayan's sails if she had dropped Mr. Mishra who had clearly become a big liability for her. But she refused to do so.

Since her return to office in 1980, she has dropped Mr. Kamlaipal Tripathi, Mr. V. C. Shukla and Mr. Jagannath Pahadia. In none of these cases can either the opposition or the press claim to have played a significant part. The press was critical of Mr. Pahadia. But that did not seal his fate.

The rise of men who exercise power without being accountable poses a serious danger to the Indian political system. A way out has to be found if the crisis that already grips the system is not to become uncontrollable, leading either to the rise of authoritarianism or to anarchy, most probably the latter in India's conditions. And the only way out is to create an atmosphere in which those in authority find it necessary to function within the parameters of the system and to observe well-established norms.

A great responsibility rests on Mrs. Gandhi's shoulders. As the country's supreme leader, she has to accept the responsibility of seeing to it that those she places in authority do not act like the satraps of the Mughal emperors who could do whatever they liked so long as they professed allegiance to Delhi.

## FOREIGN TECHNOLOGY PREEMPTS INDIGENOUS DEVELOPMENT

Bombay THE TIMES OF INDIA in English 2 Sep 81 p 8

[Article by Gautam S. Vohra: "India's Dependence on Foreign Skills"]

[Text]

AT present, 650 industrial houses have been granted tax exemptions by the government as they spend a stipulated amount on research and development. But the secretary of the department of science and technology, Prof. M. G. K. Menon, recently said he would not rule out "black sheep" who had obtained the exemptions under false pretences. This is deplorable. As it is, the average expenditure on R and D incurred by the private sector is only 0.78 per cent of the sales turnover (as in 1975-76, after which figures are not available). And what is projected as R and D is often no more than quality control, testing, and at times blatant copying of imported technology blueprints.

Indian industries are heavily dependent on imported technology. Between 1948 and 1979, they entered into 3,912 collaboration agreements. The number continues to increase. Foreign collaborators often provide only operational and maintenance know-how, not the basic information concerning design and engineering. This means that the recipient unit has to continue to depend on the donor concern.

In many cases, the plant and equipment supplied are not of the latest design. Indian companies have been fobbed off with second-best technologies in more than half the collaboration agreements they have signed. If they have not protested, it is because in the protected environment in which they operate, they cannot but make a profit out of anything they produce, unlike in the West where, because of severe competition, industries are forced to invest substantially in R and D to upgrade their products.

When we do not get outdated technology, we get technology that pre-empts the pace of indigenous R

and D exercises. There are any number of instances of foreign sellers offering us high technology at crucial times when breakthroughs of our own were impending. In the case of the offer made by the U.S. of a chain of sophisticated radar stations for advance warning of approaching hostile planes after the 1962 war with China, India accepted the offer. But for four years the U.S. failed to deliver. Meanwhile, our technologists developed much the same kind of radar prototypes which were shortly due for mass production. Just then America came through with the radars, thus pre-empting our own technological development.

*Notable results*

It has often been argued that the research conducted by the national laboratories of the Council of Scientific and Industrial Research has not produced worthwhile results. The various government laboratories, however, were not set up as purely commercial undertakings; they were never expected to make a profit. Nevertheless, the contribution of the laboratories has not been insignificant. The CSIR has developed about a thousand processes that industry could benefit by. However, so far only 400 of these have been put to commercial use. This is so because commercialisation is not merely a matter of finding a process or a product. It has to be supplemented by design engineering capability. To begin with, a pilot plant has to be established and only then can large-scale commercial exploitation be initiated. This, however, the CSIR does not undertake because it is not geared for the task.

This explains why the investment in national laboratories has not paid off. In relation to the CSIR's annual budget, the income from the royalty premium of the National Research Development Corporation, through which products and processes deve-

loped by the laboratories are marketed, is paltry. In 1977-78, on the CSIR's total budget of Rs. 52.5 crores, the NRDC earned only Rs. 60 lakhs, bringing a return on investment of a mere 1.15 per cent.

But the CSIR is not to blame for the failure to assimilate, adapt and improve upon foreign technology through indigenous innovative skills, as the Japanese have done with such dramatic results. This is the job of the private and public-sector companies that have acquired the technology. But they have not bothered to make the effort. That is why we have the anomalous situation of five aluminium plants in the country having to enter into five different collaboration agreements with foreign concerns. We do not have the know-how to transfer it horizontally.

Since Indian industries have not continually improved upon their products, made initially with foreign collaboration, these remain antiquated. In the automobile industry, we still manufacture cars with designs obtained 20 years ago, whereas the energy crunch has made Japan, Europe, as well as the U.S. go in for fuel-efficient, light-weight cars.

### **Raw materials**

The Scientific Policy Resolution, adopted as early as 1958, says that "even deficiencies of raw materials of a country could be made good with science and technology". There has been no advance in this sphere.

Nor has anything been done to get the maximum returns from our raw material like jute, tea, mica, leather and shellac. These are still by and large exported in the form of raw materials. If technology had been applied and these exported as manufactured items, the value added would have been 10 times as much.

Ironically, we are seeking foreign collaboration and technical assistance for coal mining in which we have been engaged for more than a century, even

while we talk of self reliance in atomic energy and space. In fact, since the second world war, what is known as "big science" — nuclear physics, radio astronomy, space, satellite communication — has been an important area of investment. But such sophisticated technology is not available to the industry.

The government has chosen to support small-scale and cottage industries. But the requisite effort to apply the latest knowledge and experience in science and technology to improving production has not been made. In the experiments with gobag gas plants, for instance, about 75,000 units have been created. China, which took to this source of energy later, is reported to have five million units, which, furthermore, are more efficient.

The plan to make more efficient use of the 15 million bullock-carts by improving their design has similarly made little headway. Though it was initiated in the 1940s, the prototype was produced by the Indian Institute of Management, Bangalore, in 1969. Ever since then there have been schemes to encourage rural artisans to produce the new design appropriate to each particular region. But nothing has come of them so far.

It needs to be emphasised that "appropriate technology" does not merely mean small-scale technology. It should be appropriate to the country's economic and social conditions. Size should not be the determining factor for, in some cases, large-scale, sophisticated technology may be essential, say, for making steel. Technology that makes the best use of resources within a given framework is appropriate technology.

The solution for India is to import the latest technology. But at the same time it must improve the technological infrastructure: levels of technical knowledge, absorption capacity, and so on. Research and development should be directed towards adapting the acquired technology and building further on it.

**PUBLIC SECTOR STAFFING SAID TO IMPROVE**

Calcutta THE STATESMAN in English 2 Sep 81 p 9

[Article by K. K. Sharma: "Why a Large Number of Public Units 'Topless'?" ]

[Text] New Delhi, Sept 1.—The reason for the large number of public sector undertakings remaining "topless" is the dilatory functioning of the Public Enterprises Selection Board (PSEB) and because some posts are still reserved for politicians. But there has been a marked increase in the degree of professionalism in the units in the past few years.

The reliance on Government services to man managerial posts in public sector units has been greatly reduced, especially in the second and third levels of management such as functional directors and general managers.

A large number of public undertakings are headed by administrators and politicians. Nevertheless, an increasing number of them have backgrounds in engineering, electronics mining and other technological fields.

At the beginning of this year, the percentage of chief executives, functional directors and general managers and officers of equivalent levels who belonged to different engineering disciplines was 69, 50 and 74 respectively—not particularly impressive but a vast improvement over the 1950s and 1960s when reliance on the Government service cadres was almost total.

This is borne out by the reduction in the number of "deputationists" in managerial cadres in public enterprises. In 1966 the percentage of deputationists in managerial posts was 6.2. Against this, in the beginning of 1981, the percentage came down to a low 1.7.

Efforts are being made to encourage successful managers of public enterprises who have shown potential for senior posts to occupy the top positions. This is borne out by the fact that in 1980-81, the percentage of managers selected for top posts of chief executives, functional directors and general managers increased to 85 from just 67 in 1979-80.

Similarly, dependence on Government services for manning top posts in public enterprises declined from 26% to 12% in the two years.

This is reported to be because of a deliberate policy of inducting young graduates from reputed universities, institutes of technology and institutes of management at the juniormost levels of managers for promotion in due course.

Promotion follows training at foundations, institutes and "on-the-job" and regular mid-career training and management development programmes for middle and senior level managers. A philosophy of "in-house" management and building up of managerial cadres within the public enterprises is being developed.

The Bureau of Public Enterprises is working out "models of performance criteria" for 15 major sectors of public undertakings. These will be the yardsticks to judge the performance of public undertakings from the current year.

A programme has been worked out for sending 200 top and senior level managers in the next five years to Britain for specialized training. This has been done in cooperation with the British Council. There is also a related "training of trainers" scheme prepared in cooperation with Leeds University.

CSO: 4220/7683

## MARKED IMPROVEMENT IN POWER GENERATION CLAIMED

Bombay THE TIMES OF INDIA in English 2 Sep 81 p 14

[Text]

NEW DELHI, September 1.

WHILE sharing members' concern over the shortage of power in some of the states, the government maintained in Parliament today that the situation had shown a marked improvement since October last and there would be no gap between demand and supply by the end of 1983-84.

The discussion on the subject arose out of calling attention motions in both houses over the loss of agricultural and industrial production as a result of power shortage.

The motion in the Lok Sabha moved in the name of Mr. Krishan Kumar Goyal (BJP) and four others in the Rajya Sabha, 33 members led by Mr. Kalpathi Rao (Cong. I) had signed it.

The energy minister, Mr. A. B. A. Ghani Khan Chaudhury, replied to the debate in the upper house and his deputy, Mr. Vikram Mahajan, in the lower house.

The identical statements made by the ministers claimed that the average increase in energy production during the period October to March last had been of the order of 13 per cent and overall increase in 1980-81 about 5.7 per cent.

This trend had continued in 1981-82. In the first four months—April to July—the increase had been as high as 17 per cent (21 per cent from thermal and 12 per cent from hydro generation) as compared to the corresponding period of last year.

## 44.7 P.C. UTILISATION

The utilisation factor of thermal power stations during 1980-81 was 44.7 per cent. This had increased to 46.7 per cent during April-June 1981 and was expected to go up to 48 per cent for the current financial year.

To meet the 'growing' demand, 19,666 MW of additional capacity would be added during the sixth plan period (1980-85). Advance action schemes aggregating to 14,000 MW capacity in the seventh plan had also been cleared.

According to the statements, high priority had been given to the agricultural sector. The state governments had been advised to give a minimum of six to eight hours supply to pumping sets.

Power shortage had come down from 16.1 per cent in 1979-80 to 12.6 per cent in 1980-81 and was likely to decline to 10 per cent, despite the increase in demand.

There was no power shortage in the southern states of Kerala, Tamil Nadu, Andhra Pradesh and Karnataka. In the western region, the power production in the first four months of this year increased by 12.4 per cent. However, there was some shortage in Maharashtra and Madhya Pradesh.

## DVC OUTPUT UP

In the eastern sector, there had been marked improvement in power generation. In the first four months of the year, the Damodar Valley Corporation had increased its generation by 41 per cent, Bihar by 20 per cent, Orissa by 40 per cent and West Bengal by 2 per cent.

"We are fully alive to the need for improving power availability in the country," the statements claimed, since this was necessary for industrial and agricultural production.

In the Lok Sabha, Mr. K. K. Goyal pointed out that capacity utilisation in the power generation sector was not even 50 per cent.

In Rajasthan's villages, he said,

there was no power supply and the crops were drying up because pumping sets could not be operated. The production of steel, cement, fertiliser and other essential commodities had been affected because of power shortages.

Replying to Mr. Goyal's query whether the Kota thermal power station would be commissioned by 1983-84, Mr. Vikram Mahajan said that it would start generating power next year.

Mr. Mahajan said that Rajasthan's power supply totalled 3,242 million units against a demand of 4,990 million units—a surplus of 252 million units.

When Mr. A. N. Nadar contested the minister's claim that there was no power shortage in the southern states, Mr. Mahajan reaffirmed that there was no problem in Tamil Nadu and the other states.

Replying to a question, he said the government of India was likely to finalise an agreement with the Soviet Union for 1,000 MW thermal generation.

Mr. Nawal Kishore Sharma (Cong. I) also contended the minister's statement that there was no power shortage in Rajasthan and advised him 'not to rely on official statistics.'

Mr. Mahajan said that for eight or nine months there was no shortage of power in Rajasthan. By 1984-85 there would be a surplus of 3,283 million units of power in the country. Through the national grid, power would be transmitted from surplus states to deficit states.

Mr. Mahajan said that the lignite project at Palna in Rajasthan had been cleared by his ministry and was now pending with the planning commission. He denied that there was any conflict between his ministry and the Central electricity authority.

## ENGINEERING EXPORTS TO ARAB STATES TO RISE

Bombay THE TIMES OF INDIA in English 2 Sep 81 p 14

[Text]

DUBAI, September 1 (UNI).

**E**NCOURAGED by the increasing confidence in the Indian products in the Gulf, the Engineering Export Promotion Council (EEPC) of India is launching a new drive for a ten-fold increase in Indian exports to this area within five to ten years.

According to the regional manager (Middle East) of the Council, Mr. Sharat Chandran, the focus of development has shifted from construction to power generation, agriculture and irrigation. Some exports for heavy and light items in these fields had already taken place and Gulf importers were finding them "qualitatively better and cost wise cheaper" than similar products from several countries.

There was no reason why the Indian firms could not take part in the coming boom in these fields, Mr. Chandran said.

## DEVELOPMENT PROJECTS

As for the growing confidence in Indian technology, Mr. Chandran said Qatar had put on record that it would rely on Indian technology for its future development. It was in this perspective that the council was identifying development projects in the Gulf and that a special efforts was being made this year for Saudi Arabia, Iraq and Iran and Libya.

Mr. Chandran said that in the next five years there would be a tremendous export potential from India for diesel generators, tractors, water pumps, spray sets, water supply systems, power transmission lines and electrical grid systems.

On the civil construction side, there was still a wide market for galvanized iron pipes and fittings,

steel windows, purlins, wire nails and fencing products.

An indication of the potential is available from the UAE itself where the government has decided to set up a multi-billion dollar national power grid and where \$3,000 million have been earmarked only for the sewage system.

India is already manufacturing even the sophisticated systems needed in these fields and could easily meet any demand for items like feeder pillars, distribution sets, diesel engines or any other equipment. Mr. Chandran said that authorities in the Gulf states had observed that several multinational giants, who took major contracts on the strength of their names, were now sub-contracting projects to Indian firms.

Mr. Chandran said that an Agra firm was recently awarded a \$1.3 million contract for supplying cast iron pipes to Sharjah (U.A.E.) while a Calcutta firm has been ordered to supply transmission lines for Dubai worth \$12 million.

As part of the new drive, he said, the council had taken steps to ensure that once an Indian firm got a contract, it met all the specified terms of quantity, quality and delivery schedule.

In fact, his office would not hesitate to advise a Gulf firm against collaborating with an Indian company if the latter's reputation "is not good at default one case normally casts a cloud on the reputation of all others."

Mr. Chandran said that the council was also periodically sending top businessmen from various countries to India to witness the technological growth of the country.

Saudi Arabia is the largest importer of Indian goods in the Gulf (Rs. 40 crores a year) followed by the UAE (Rs. 35 to 38 crores).

## BRIEFS

SINDHI CONGRESS-I WORKERS--Bombay, September 1--The All-India Sindhi Congress (I) Workers' Council has urged the prime minister to rehabilitate Sindhi Congress workers politically as they did not have a forum recognised by the AICC. A four-member delegation of the council, led by Mr Sreechand S. Ahuja, its secretary-general, called on the prime minister recently and made a plea for an organisation similar to the Sind Provincial Congress Committee, which functioned before independence. [Text] [Bombay THE TIMES OF INDIA in English 2 Sep 81 p 4]

CHINESE BALLOON, PAMPHLETS--Gwalior, Sept 1--A huge plastic balloon containing a machine, thousands of Chinese pamphlets and biscuits landed in old Gwalior city area last Sunday.—PTI. [Text] [Madras THE HINDU in English 2 Sep 81 p 6]

ARMY SOUTHERN COMMAND CHANGES--Pune, Sept 1--Lt. Gen R. D. Hira, GOC-in-C Southern Command, retired on Monday after serving the Army with distinction for almost four decades. Hundreds of troops, lining up on both sides, cheered the General as he moved past in an open jeep with Maj. Gen. B. K. Mehta, Chief of Staff, at the wheel. Gen. Hira had held various important appointments including Military, Naval and Air attache in the Indian Embassy at Cairo. An expert on operations against infiltrators, he has delivered a number of lectures on counter-infiltration at the College of Combat, Mhow. Lt. Gen. Tirath Singh Oberoi succeeds Gen. Hira. New GOC: Maj. Gen. C. N. Somanna has taken over as General Officer Commanding of a corps in the western sector in the rank of Lieutenant General. Before taking over this corps, he was Chief of Staff of Northern Command. He was Colonel Commandant of the Corps of Military Police since August 1979.—PTI [Text] [Madras THE HINDU in English 2 Sep 81 p 16]

JOINT VENTURES WITH AUSTRIA-- New Delhi, Sept 2--Austria has agreed to transfer technology to India for setting up joint ventures based on "buy back" arrangements. This is one of the measures discussed recently in Vienna for increasing trade between the two countries. Also envisaged was India's participation in the form of supply of machinery, provision of technical manpower and collaboration with Austrian companies in third countries. The discussions were held between Mr T. D. Sinha, president of the Association of Indian Engineering Industry, and his counterpart in the Federal Economic Chamber of Austria. To keep Austrian industrialists informed about the opportunities in India, it was decided that the Chamber would establish an "effective link-up" to disseminate

to disseminate information. Austrian exports to India were worth Rs 28 crores in 1980 while imports from this country were worth Rs 20.08 crores. Exports of engineering goods increased marginally from Rs 40 lakhs in 1978-79 to Rs 45 lakhs in 1979-80. [Text] [Calcutta THE STATESMAN in English 3 Sep 81 p 7]

**WEST BENGAL REJECTS ACTS**--Lucknow, Sept 2--The West Bengal Government is not inclined to implement the National Security Act and the Essential Services Maintenance Ordinance 1981, Mr Hashim Abdul Halim, Minister for Judicial and Legislative Affairs, West Bengal, said at a Press conference here yesterday. He said "We are not going to implement the NSA or the Ordinance which violates the fundamental rights of the workers guaranteed by the Constitution." Mr Mohammed Amin, Minister for Transport, who also addressed the Press conference, said that the workers had the right to strike, but strike alone was no solution of their problems, he added. Mr Halim claimed that the biggest achievement of the State Government was that there was no communal disturbance in the State. "There is no Hindu-Muslim question as such in West Bengal. People are conscious of their democratic and political rights," he added. Mr Amin said that the Government had taken up a 36-point programme. Twenty-eight of these had already been covered. The rest would also be covered during the remaining tenure of the Government, he added. [Text] [Calcutta THE STATESMAN in English 3 Sep 81 p 9]

**EMIGRATION RESPONSIBILITIES SHIFTED**--New Delhi, Sept 2--It was officially stated today that the work relating to emigration has been reallocated from the Ministry of External Affairs to the Ministry of Labour. The work relates to regulation and grant of clearance for the emigration of skilled, semi-skilled and unskilled workers for employment. The protector of emigrants in passport offices will continue to give clearance as before, but on behalf of the Ministry of Labour from September 1. This arrangement it is stated will continue until the Labour Ministry is able to set up separate offices for protectors of emigrants. There is no change in the procedure for grant of emigration. [Text] [Calcutta THE STATESMAN in English 3 Sep 81 p 9]

**KERALA RSP**--Mr Tridib Chaudhuri general secretary, Revolutionary Socialist Party, in a statement refers to the reported formation of a new State committee of the RSP in Kerala with Mr N. Sreekantan Nair as its secretary. The party's central committee, Mr Chaudhuri says, continues to recognize the existing State Committee of the RSP in Kerala elected in the 1978 RSP State conference with Mr Gopinathan Nair as secretary. [Text] [Calcutta THE STATESMAN in English 3 Sep 81 p 9]

**BANGLADESH INFILTRATORS**--The Plains Tribal Council of Assam (PTCA) on Wednesday urged government to take immediate steps to expel the Bangladeshis who have infiltrated into the Amteka area of Goalpara district in Assam, reports PTI. A delegation of the PTCA which met the Prime Minister Home Minister and the Assam Governor in New Delhi to apprise the situation alleged that the infiltrators indulged in cattlelifting dacoities and forcible harvesting of crops. In a statement in New Delhi they wanted the Centre to create an autonomous Tribal Development Authority. The TDA should also ensure more effective implementation of various schemes of the integrated tribal development projects under the tribal sub-plan the statement added. [Text] [New Delhi PATRIOT in English 3 Sep 81 p 1]

WORLD TAMIL FORUM--Bombay, Sep 2 (UNI)--Dravida Munnetra Kazhagam (DMK) Chief M. Karunanidhi has called for the setting up a "world Tamil forum" to unite Tamilians settled in various parts of the world for the betterment of their lot. In an exclusive to the city's only Tamil Daily, Mr Karunanidhi said the forum should be free from religious and political affiliations. The sufferings of Tamils in many parts of the world, he felt, was due to lack of unity within the community. Offering DMK's whole-hearted support for the creation of the forum, Mr Karunanidhi said its role should be to unite all the Tamilians in the world, voice their grievances and guard their rights. [Text] [New Delhi PATRIOT in English 3 Sep 81 p 4]

INDUSTRIAL GROWTH RECORD--A record 11.1 per cent industrial growth has been reported in the first quarter of 1981-82 over April-June last year, reports PTI. The increase--revealed in the index of industrial production--has been hailed by the Industry Ministry as the highest ever achieved in any quarter recently. The growth for June 1981 has been shown in the quick index at 11 per cent higher than for June last year. [Text] [New Delhi PATRIOT in English 4 Sep 81 p 1]

CONGRESS-U LEADER--Mr Bhola Paswan Shastri was today unanimously elected leader of the Cong-U party in Parliament in place of Mr Jagjivan Ram who has quit the party, reports UNI. Mr K. P. Unnikrishnan, who was elected deputy leader of the CPP-U, will also act as the party leader in the Lok Sabha. Mr Shastri will continue to lead the party in the Rajya Sabha. The two were elected at a general body meeting of the party presided by Cong-U chief Sharad Pawar. [Text] [New Delhi PATRIOT in English 4 Sep 81 p 5]

INDO-BULGARIAN TRADE--The two-way trade between India and Bulgaria is expected to increase three-fold in 1981 compared to the previous year, reports UNI. Giving this information, the Bulgarian Ambassador in India, Mr Tocho Tochev said on Thursday the increased turnover was due to trade in non-traditional items such as earth moving machines, machinery and equipment, readymade industrial products from India to Bulgaria and oil, fertilizers, machinery, and electronics from Bulgaria to India. Mr Tochev was speaking to newsmen on the eve of the 37th anniversary of the socialist revolution in Bulgaria and the national day. Mr Tochev said the two countries were placing emphasis on industrial cooperation like the establishment of export-oriented joint ventures, besides joint exploration of third country markets. [Text] [New Delhi PATRIOT in English 4 Sep 81 p 7]

MESSAGE TO ANGOLAN TU'S--The All-India Trade Union Congress has in a telegram to the Confederation of Trade Unions of Angola expressed firm solidarity of the Indian working class with the Angolan working masses fighting armed aggression of the South African racist regime backed by the Reagan administration. The telegram, sent by AITUC general secretary Indrajit Gupta, MP has also vehemently condemned the South African action. [Text] [New Delhi PATRIOT in English 4 Sep 81 p 7]

CSO: 4220/7692

BANI-SADR'S 'ALLIANCE' WITH MUJAHEDIN-E-KHALQ DEPLORED

Karachi JASARAT in Urdu 24 Jul 81 p 5

[Editorial: "Bani Sadr and Mujahedin-e-Khalq"]

[Text] Iran's deposed President Bani Sadr has entered into a formal alliance with the left-wing Mujahedin-e-Khalq and has authorized its leader, Mas'ud Rajavi to form a committee of the leaders of his guerrilla organization which can act as a watchdog over the constitution of Iran until free elections are held in the country. The leader of Mujahedin-e-Khalq has agreed to these steps suggested by the former president and approved and endorsed the plans laid out by Bani Sadr. These developments have placed a stamp of legitimacy on the relations between Bani Sadr and the Mujahedin, relations which so far were a matter of conjecture and were not officially acknowledged by either side. The source of all this information is the BBC, which has also disclosed that copies of a letter handwritten by Bani Sadr are circulating inside and outside Iran. In this letter Bani Sadr is said to have claimed that he was still the elected president of Iran.

As far as the BBC is concerned, we do not regard it an entirely reliable source on Iran, nor do we think that it can be above all mischief. In this particular instance, therefore, we cannot rule out the possibility that the BBC was out to attract attention by broadcasting something dramatic, colorful and shocking. But, broadcasts over Radio Tehran have also called Bani Sadr an enemy of the Islamic revolution, a liar and a supporter of the anarchist factions. Two days ago Radio Tehran announced that the counterrevolutionary forces had now formed an alliance with the anti-Islamic elements. These broadcasts by Radio Tehran thus confirm to an extent the reports given by the BBC. If events have actually taken this turn, i.e., if Bani Sadr has become an instrument of Mujahedin-e-Khalq and has issued the Khalq guerrillas a license to form a parallel parliament on the pretext of his elected presidency, it is, in our view, a sad turn of events. By doing this Bani Sadr has lost respect in the eyes of those who have even the slightest interest in the Islamic revolution. His actions are no longer aimed at benefiting the Islamic revolution, they amount only to a fulfillment of his own ambitions for power.

Until now we regarded the disunity within the Iranian Government merely a consequence of disagreements between the modern-educated, progressive revolutionaries and the revolutionaries with a traditional religious education. To watch this struggle approach a stage of widespread conflict gave us feelings of uneasiness, but it was hard to imagine that the conflict could become a roadblock in the way of the Islamic revolution itself. We could never visualize that any true Muslim revolutionary

would stoop so low as to form an alliance with the counterrevolutionary anarchist factions and issue them orders to form a rival government for the selfish purpose of saving the revolution for himself. If Bani Sadr has actually gone to this extent, he never was a true Muslim revolutionary. He no doubt had weaknesses of which the religious leadership was aware and on account of which they rebelled against him and removed him from the presidency.

How can a council of the leaders of Mujahedin-e-Khalq safeguard the Islamic revolution of Iran? On the contrary, such a council could become a body responsible for its destruction. Wouldn't Bani Sadr's suggestion in fact lead to the formation of a non-elected council of Khalqis which, after it came into existence, would probably seek help from a foreign power? A request for foreign help would amount to an invitation to a foreign power to send its armies inside Iran for the protection of the Islamic revolution, somewhat in the same manner in which foreign armies marched into Afghanistan and trampled its freedom and sovereignty. In our opinion the steps taken by Bani Sadr are very unwise and we strongly condemn his actions.

9612  
CSO: 4203/110

'DAWN' COMMENTS ON EGYPTIAN UNREST

GF111121 Karachi DAWN in English 9 Sep 81 p 9

[Editorial: "Al-Sadat's Search for Stability"]

[Text] The Egyptian Government waited for more than 2 months after bloody clashes between Muslims and Christian copts in a Cairo suburb to put together a package response. It has the familiar al-Sadat stamp, combining surprise and decisiveness with a wide-spectrum blow at political opponents. Once again, a referendum is being held to win popular mandate for the government's moves against "religious extremists." News reports have curtly noted that such referendums in Egypt produce more than 90 percent support for the official line. The present referendum plan was preceded by tough and far-reaching measures. About 1,500 persons were arrested for stirring religious strife and the government took control of 65 mosques from fundamentalist Islamic groups as a first step towards the announced takeover of Egypt's more than 40,000 mosques now managed privately. The government will then appoint its own Imams in mosques. At the same time, the head of the coptic Christian church was dismissed and several religious extremist groups were banned. Also banned were six religious and opposition newspapers. As many as 67 journalists and many university professors were transferred to other posts. Among those arrested was Mr Muhammad Hasanayn Haykal, Egypt's best-known journalist and a critic of Mr al-Sadat's policies.

Addressing a special parliamentary session, President al-Sadat said those arrested has contributed to the conflict between Egypt's Muslim majority and Christian minority or had tried to exploit sectarian tensions for political purposes. Those picked up in a swoop spread over a couple of days belong to the entire political spectrum, true to Mr al-Sadat's style of hitting out on the right as well as the left at the same time. But the thrust this time is against the Muslim fundamentalists, the remnants of the Muslim brotherhood organization, known recently to be winning new converts among Egyptian youth. As the news of the arrests of a large number of clergymen came in, thousands of brotherhood supporters marched on Cairo's coptic cathedral after Friday prayers to do battle with riot police. In the parliament on Sunday, Mr al-Sadat was particularly vehement against the brotherhood and Muslim student groups, charging them with working to radicalize the population for political purposes. He noted that the brotherhood had been opposed to the 1952 revolution and promised them no mercy in the future. He summed up his latest move to curb dissent by declaring that from now on, there must be "no religion in politics and no politics in religion."

Mr al-Sadat makes a valid point in opposing the use of mosques for political purposes. The mosque is a place of worship, open to all believers without any hint of indoctrination of any kind. Its exploitation for partisan political purposes is sure to undermine the sanctity of the House of God. Its spiritual dimensions cannot bear with passing wordly squabbles. But the remedy designed to counter this situation is equally suspect. By tightening its grip on mosques and the Imams who lead prayers, the government itself could be accused of politicizing the houses of worship. In fact, the issue is larger than the use of mosques by political activists. It also transcends the June clash between Muslims and Christians over property rights on a plot where the Christians had planned a church and the Muslims a mosque. At least 17 persons had died in the rioting. The Egyptian Government has cast its net too wide in meeting what was a local situation. Apparently, the widespread arrests are only partly related to that situation. They have also to do with Cairo's decision to deal with dissent in general, using the opportunity provided by the fundamentalists' challenge. If it is true that the Muslim brotherhood is gaining in popularity, it can only be attributed to Cairo's policy of making peace with Israel at a terrible cost of Pan-Arab unity and solidarity. Though there is no indication of a general popular rejection of Mr al-Sadat's policies--and he retains the support of the vital constituencies in the armed forces and the upper middle class--the resurgence of the brotherhood and the growing disenchantment of the intellectuals should not be taken lightly. It is for Mr al-Sadat to ponder why elements opposed to the 1952 revolution, the seed of Egyptian unity and progressive Arab awareness, should be able to regroup and force him to retaliate in such a drastic manner.

CSO: 4220/302

NEGLIGENCE OF GOVERNMENT OFFICIALS BLAMED FOR INCREASED SMUGGLING

Karachi NAWA-I-WAQT Magazine in Urdu 21 Aug 81, p 14

[Article by Humayun Adib: "Smuggling"]

[Text] Showers of wealth are taking place in Karachi in the form of smuggled goods. It is happening in many ways. It may be immoral, but smugglers regard it as a regular profession. Such people, who number in the thousands, include religious, God-fearing and humanitarian businessmen of great integrity. Without a legal document, by mere word of mouth, they transact a business worth millions.

Most smuggling takes place by sea. Corangi Creek, Fish Harbor, Jackson (from Dockyard to Clifton), Peppery, Ghadar, etc., have smugglers' hideouts. At Gudani Beach and Mukran Coast, some parts of which are not within Karachi city limits, many big yachts carrying refrigerators, air conditioners, TV sets, motorcycles and various other goods anchor; then, the cargo, worth millions, is carried overland to Karachi, Quetta, and to other parts in the interior of the country. In Karachi the biggest hideout of smugglers is in the coastal region of Peppery and Ghadar. Ghadar is the same place where the tired army of Alexander the Great had once bivouacked. Half of the army, after building the boats, departed by sea, and the other half, along with the sick and wounded Alexander, went overland, along the coast, toward Babylon (presently Iraq). These hideouts have special characteristics. Jackson area people are regarded as small time operators because they haul small items such as cigarettes and liquor from the anchored ships or pick up the stolen goods from the dock and make a living by disposing of them. The smugglers of Corangi Creek and Fish Harbor are also regarded as minor. However, Peppery coast towards Ghadar is a place for big time operators and perhaps for this very reason is called "Smugglers' Paradise."

Big boats, loaded with contraband cargo, arrive under cover of night. As soon as the smuggled goods reach the coast, big Chevrolets and Mercedes, loaded with liquor, cigarettes, tape recorders, cloth, gold, silver, etc., begin to ply mysteriously inland from the coast and trying to stop them is not without danger. Sometimes a display of official efficiency takes place. Acting on the information of the "informants," officials posted to stem smuggling catch a yacht or car. All this is orchestrated jointly by the officials, informants and the smugglers.

It is generally believed that the smugglers, by avoiding payment of customs duty, cause a loss of millions of rupees to the national treasury. They are a curse to the society. But they themselves claim to be making their living legitimately and paying taxes. The "taxes" they pay are in the form of either bribes, expenses or gifts. As testimony to their statement, they point to the homes of government officials where refrigerators, air conditioners, color television sets and the cassettes of Indian movies can be seen. Luxurious foreign goods and furnishings in their homes bemoan their dishonesty and treachery to their country. Included in the cabal are officials of Customs--Karachi Port Trust--Watch and Ward, Coast Guard, local police, etc. Even the employees of the Electric Company do not refrain from basking in the sun of smuggling. Oh, yes, the Electric Company people. By turning off the current they provide the cover of darkness for illegal operations.

After the smuggled and the stolen goods of the dockyard reach the prescribed destination through boats and large automobiles, the second phase of the operation, which is the selling of them, begins. Under protection of the patron saints--the government officials--these goods reach big markets, for instance, Khar and Kochin Wala Market, Yakuh Cloth Market, Jamia Cloth Market, Bara of Superhighway, the Litton Thieves Market, and are sold openly. Liquor and cigarettes are available at many specified outlets. They can even be delivered at home for the convenience of the customers. Thus, thanks to the mobile shops which can easily be seen, about every 10th house in the Defense Housing Society is allegedly turned into a bar.

The responsibility of checking the smuggling through the water routes lies with the Coast Guard, since this force was created 8 or 9 years ago for this very purpose. Its area of responsibility includes the western and southern coast of Karachi. A few days ago we had the occasion to read a report on its activities. Some parts of it had appeared in the newspapers as well. According to the report, the Coast Guard has impounded smuggled goods worth 30 million rupees in a period of 8 years. That is, on the average, goods worth 3,750,000 rupees a year.

Aside from this, if the figures published from time to time in the newspapers are taken as a measure and added up, then the total for a year comes to 100 or 150 million rupees a year. Perhaps the compilers of the report did not realize this or they thought that the public memory is weak. However, if the figures of the report are correct, then the expense of the 15 to 17 and one-half million rupees on this force can be justified; we only wish that the officers of the Coast Guard would have impounded enough goods that it would have justified their existence.

Smuggling at the airports and harbors, in essence, is done in collaboration with the officers who are posted there to check it. This collaboration takes many forms. One is leniency. Either the traveler brings in concealed goods and the officers overlook it, or he has a recommendation from somebody inside. Often he pays a part of the customs duty, at the most, half, which winds up in the pocket of the officer on duty. The same fact holds true of the luggage arriving later and being processed by Customs for clearance. This is not

regarded as a serious crime. However, if the goods worth a 100,000 to 150,000 rupees is cleared without any duty being paid, then it falls into the category of smuggling. Recently a devil-may-care type, who had received clearance at the airport from the customs officer without paying duty for goods worth 150,000 rupees, was arrested by the airport police. The sale, purchase and doctoring of customs forms is done in smuggling currency: hashish, heroin, marijuana, silver and gold. In these matters, the airline staff has a pretty bad reputation.

We tried to determine the parameters of smuggling from one of its experts. He responded by saying: "This is a very dangerous business. You had better keep out of it. The people connected with this business have very long arms and too much information about it can be very dangerous." When we pressed for an answer, he said: "There is unlimited smuggling in Pakistan. For instance, gold and silver has never been imported in Pakistan through normal means under a license. However, the entire needs of the country for them are being met. Although these precious metals are not mined in Pakistan, the jewelers shops are full of jewelry. This gold and silver arrives in the country through smuggling. Through this you can estimate the extent of smuggling."

Another illegal activity is the smuggling of goods out of the country. If some VIP smuggles precious gems or historic artifacts of the Buddha period concealed in his pocket, another may rest content with carpets and hosiery goods. When the smuggling is done through yachts, goods like sugar, rice, wheat, shortening, and cotton cloth become part of the process. Some rare historical artifacts are also smuggled through yachts. We asked an officer in charge of the Coast Guard: "What is the extent of these activities? How many such boats get away?" He confided to us that for each boat reported apprehended in the newspapers, 15 to 20 get away or are helped in getting away. He further added that they cannot chase the yachts on the high seas since their own craft are made of aluminum and cannot withstand the waves.

In the past we tried to investigate as to where the goods worth hundreds of millions of dollars, about which reports are published in the newspapers, ends up after confiscation. This is what we found: Hashish and other contraband is destroyed. A part of the silver and gold jewelry is kept by dishonest officials and only a small segment is deposited in the State Bank of Pakistan to display efficiency. The liquor either reaches the hotels or is sold through secret outlets. A high ranking officer connected with the anti-smuggling department is being cursed a lot these days since he issued an order to destroy the confiscated liquor in the sewer drains. Television sets, tape recorders, air conditioners, cloth, cars, motorcycles, parts, rice, sugar, lentils, tea, etc., are given to favorite agents with the pretext of public auction. Some of it is sold at the government-run fair-price stores at ridiculously low prices to the government employees and officials. They sell the goods beyond their needs to the other shops. People who buy the goods at the government auctions keep their receipts with them and when they buy smuggled goods use those receipts to prove that the goods were bought from government sources. In essence, a large group of Karachi residents is engaged in absorbing this shower of wealth.

9859  
CSO: 4203/105

GOVERNMENT NEGLIGENCE BLAMED FOR DELAY IN ARREST OF HIJACKERS

Karachi JASARAT in Urdu 22 Jul 81 p 3

[Editorial: "Karachi Authorities Negligent Once Again"]

[Text] According to a newspaper report, Khalil Quraishi, one of the prisoners sent to Damascus in exchange for the release of the hostages on the PIA plane hijacked on 2 March, was captured, along with four of his companions, in Bajor while he was returning to Kabul after a month-long stay in Pakistan. It was reported that Khalil Quraishi arrived in Karachi from Kabul last month under disguise, stayed here for 1 month and left for Kabul in the beginning of July with four other persons--Aslam, Ahmad Ali, Liaqat Ali and Hatim. All five of them were arrested in Bajor when they were crossing the Pak-Afghan border.

It was the negligence shown by the Karachi police and administration, and the incidents that took place in Karachi in January as a result of that negligence, which led to the hijacking of the Boeing 747. The hijackers were notorious criminals, their faces were familiar to the authorities, there were court cases pending against them in Karachi and they were wanted by the police.

Anyway, we want to put behind us the events until the hijacking. After that incident, however, Karachi administration, police and the Sind government were expected to have full knowledge of the whereabouts of the hijackers and their accomplices and were expected to keep a close watch on the relatives and friends of the convicted criminals taken out of prisons and out of the country through blackmail. If the authorities were watching, how did one of those convicts, who was in jail before he was sent out of the country in exchange for the hostages, slip back into the country, stay here in Karachi for a whole month and establish contact with four people who became willing to travel with him to Kabul? Were the police and the administration sleeping all this time? We demand a thorough investigation of this affair because events have shown once again that those who are entrusted with the security of the country and should be alert have proved themselves to be inept and negligent in their duties as usual.

9612  
CSO: 4203/110

'KHYBER MAIL' DISCUSSES INFLATION RATE

Peshawar KHYBER MAIL in English 4 Sep 81 p 3

[Editorial: "Inflation Rates"]

[Text] The Finance Ministry of the Government of Pakistan has repeatedly been telling the public that inflationary trends in the country have been arrested and they have not been more than 12 to 13 per cent in the last year, while being still less in the previous years. The people who felt the thin end of the wedge wondered at this and though figures spoke to them reassuringly, they found it very difficult day by day to meet the needs of the day. They could hardly feed themselves with the figures produced by the Ministry and had to make their own way in an increasingly difficult world. The Government probably based its computation on the figures received by them from arm-chair statisticians and the rates the administration imposed as also accepted by state-owned shops. The situation in the general market has been different. We have noted, for example, that a Government organisation which has built buffer reserves in edible stuffs, has been releasing dals (pulses) at the rate of Rs. 7

per seer though they have actually been selling in the open consumer-market at the rate of Rs. 14 to 15 per kilo. Meat's prices have been fixed from Rs. 16 to 20 per kilo, but it is not available to the consumer below Rs. 25. These are only two of the examples where the Government figures do not conform to the reality of the general markets. It is natural that with this glaring discrepancy, the overall figures of inflation would be completely out. The Federation of the Pakistan Chambers of Commerce recently came out with a challenge to the rate of inflation announced by the Government. It stated categorically that inflation has been of the order of 28 to 30 per cent in the country in comparison to the 12 to 13 per cent stated by the Government. The disparity is too glaring to be ignored. The complacency which results from believing that God is in His heaven and all is well with the world is not quite a healthy feature. As a consequence of it, the steps taken to arrest the rot are not so stiff as they

ought to be. On the one hand this is bound to deal a sledge-hammer blow to the credibility of the Government and on the other it would not enable the state to take such measures as prove really effective and help the poor man to surmount his difficulties.

To the officials who draw huge salaries and fringe benefits, the rich people with a member of the family working in the Middle East and remitting substantial sums every month, to the traders who are the real instruments of this inflation, it is not a hard or difficult task to meet the gross effects of the actual rise in prices. It is the poor man, the fixed-income, the old and the infirm who simply cannot jump into the melee of making more and more money, that the knife's edge slashes in all its cruelty. When meat went out of the reach of the poor man, due to its prices, the only thing which he could resort to was pulses and vegetables for his "dastarkhwan". But now pulses too have gone spiralling beyond his reach;

what can be done. The prices of vegetables had already been too much. There has been a sympathetic rise in other sectors. Housing, for example, is one where the prices are going up. In some cities, a single room is available on the fabulous rent of Rs. 150 per month. For a small middle-class family, who wish to live respectably, a two-room house is a must, depending on the size of the family. In urban areas, a two-room house costs nothing less than Rs. 750 per month, or thereabouts. What is supposed to be left with the bread-earner for the bread if he pays away more than three-quarters of his monthly income as house-rent. In this sector particularly there are no schemes or plans to cater for the middle class.

It appears the Government machinery thinks of only two sections of the population, the too rich and the too poor. That is not a correct division. The middle-class forms not only the

bulk of the urban-citizens, it is the upholder of traditions, the real school from which emerge the leaders of a progressive nation. To neglect is a crime of bad planning. It eradicates a social sector which has to be all-important. Now, it is this middle-class which cannot live in dirty little holes or slums, it cannot but eat passably well. In short, it has to put up a passable show of respectability. With the inflationary rates as they are, it is impossible for him to maintain his dignity, within the means available to him. It is no wonder that it is this class which is the mainspring of corruption, not out of callousness and lack of a proper sense of proportion, but because of inescapable necessity. In the Railway, in the PIA, in sundry other Government organisation, the spread of underhand dealings is the direct result of this need. We regret to say that while we talk a great deal of Islam and the imposition of

Islamic way, it is not visualised how the Islamic tenets of good morality, honest-dealings and clean activity can be kept to with the economic difficulties being as terrible as they are. Islam calls for an even distribution of wealth so that the people are not forced to resort to dishonesty and stealing. Unless the methods spelt out by Islam are implemented in their fullness, the people can hardly apply themselves to a life of absolute moral cleanliness. It is not only necessary that steps are taken to take away the shock of the high-price spirals but the spirals themselves checked. Simply explaining away the harsh situation as it is extant is not enough to improve matters. It is positive steps which are required to take away the burden, and some way devised to stem the rot. No doubt it is a very difficult task, but the administration's ingenuity which is supposed to be the brain-pool of the nation, has got to meet the challenge.

CSO: 4220/406

COUNTRY IMPORTS TIMBER WORTH RS. 800 M. ANNUALLY

Peshawar KHYBER MAIL in English 4 Sep 81 p 6

[Editorial Report]

[Text]

ISLAMABAD, Sept. 3: Pakistan has to import timber worth Rs. 800 million annually, a drain on the country's limited foreign exchange resources.

Keeping in view this state of affairs, let us compare the size of problems with that of resources available. A cursory glance at national resources of forest wealth shows that Pakistan has a total area of 196 million acres. Of it only 0.7 million acres is under forest. Thus the area under forest works out at 4.5 per cent of the total land, even though average area under forest should be 20 per cent of the total land of any country. As a result of this hopeless situation, the nation is facing tremendous hardships. Conscious of this fact, the government has launched six-monthly tree-plantation campaigns to make up for the deficiency in forest wealth.

These campaigns are initiated in monsoon and spring seasons. Because of these efforts, Pakistan has slightly improved existing forest area by raising it from 3 per cent to 4.5 per cent of the total land. Ac-

cording to official sources plantation on 31,000 acres land is made each year. During last spring season about 50 million saplings were planted throughout the country.

The target for current monsoon tree plantation has been fixed at 20.8 million plants. To achieve this mark, the government has announced many incentives for students, members of the local bodies and general public. No doubt, sufficient plantation of trees is done each year. But what is the turnout? Where is the output? Why are we still dependent on imports?

Answer to these questions lie in extensive plantation as well as post-plantation care. According to one estimate, about 80 per cent plants survive annually. Though survival rate is encouraging, it was achieved only recently. Hence, it is yet to be made sure that this survival rate of plantation is kept up and simulta-

neously plantation rate is also increased with the involvement of the people.

To mobilise the general public for tree-plantation, a mass education drive is necessary on the gains we accrue from forests and trees. Not only we sit and enjoy life under the enlaced shadows of the trees, we also benefit from them in so many other fields. For instance, we get timber and firewood from them.

Similarly, coal is also made out of burnt logs of trees.

Moreover, they act as deterrent to soil erosion and help enhance the fertility of land.

They are useful to combating waterlogging and salinity as well. Apart from these facts, trees are protectors against enemy's attacks, too.

A common man should be well educated on these lines and thus prompted to grow trees and ensure their care to the full bloom.

As forestry is an important discipline of agriculture, it merits our keen attention to develop it on scientific lines. Now a sub-sector of agro-forestry has emerged and engaged attention of agricultural scientists and researchers.

They are busy studying the positive effects of forests on agricultural crops. So far, the Pakistan Agricultural Research Council (PARC) has prepared a study aimed at increasing fo-

rests growth and ensuring survival rate.

This study identifies various research areas to be worked on.

Some of such areas located by the P.A.R.C. study are:

- Introduction, selection and management of fast growing tree species in various forestry regions with special emphasis on trees of industrial importance.

- Forest management studies to maximise production of timber and other forestry products per unit area of forest lands.

- Investigation and evolving of planting techniques to afforest waterlogged, saline and arid areas.

- Production of seed and planting material of improved genetic quality.

- Methods of regeneration.

- Multiple use of forest lands, studying effects of groups of trees single trees on the production of agricultural and fruit crops.

- Collection and evaluation of parasites predators and diseases of insects.

- Biological control of obnoxious wild animals.

- Investigation into causes and control measures of forest fires.

The areas identified by Pakistan Agricultural Research Council study encompass all stages from plantation of trees to their full growth. If we succeed to do what is required in these fields of research, Pakistan can make a real breakthrough.

HAZARD PHOSPHATE PROJECT COMPLETES IN DECEMBER

Peshawar KHYBER MAIL in English 8 Sep 81 p 4

[Text]

The second phase of Hara Phosphate Exploration Project will be completed by December 1982 at a cost of Rs. 74 million and the project report incorporating feasibility of commercial mining Lagarban phosphate as well as designs of mines and beneficiation plant will be ready.

This was stated by the NWFP Minister for Finance, Industries and Mining, Mr. Salim Saifullah Khan who was talking to a group of Journalists at Abbottabad after an extensive tour of the mines area of Lagarban, 25 miles from Abbottabad.

The Minister was accompanied by Mr. Muhammad Azam Khan, Chairman Sarhad Development Authority, which is the executing agency of the project.

The Minister said that the estimated phosphate reserves in the Lagarban area was approximately 16 million tons which had been geologically placed in 'Inferred' category and the potential of the proven ore reserves particularly in the southern areas had become more apparent.

Mr. Salim Khan said that the total cost of the phase II project was Rs. 74 million out of which Rs. 19.53 million in local currency and Rs. 18.75 million in foreign currency had already been spent. The British overseas development administration had provided Rs. 13.5 million as aid in form of equipment, he said.

The Minister said that 60 percent of the work on exploi-

ration under phase second programme has been completed while drilling, sampling and mapping work was making good headway and the over all result was quite encouraging which indicated that the production of the ore for fertilizer of more than one type would be available.

The Minister alongwith the British mining experts, went round the mining area and visited the mines to see the exploration work of phosphate rocks in lagarban area about 20 miles from Abbottabad. He was informed by project Manager, Mr. Javed Iqbal, that the four mile jeepable road from Tarnawai to Danna, completed by the Kohistan Development Board costing Rs. 1.4 million, had gone a long way in speeding up the exploration process. He said that some 300 persons, majority of whom belonged to the local area, were presently employed at the project their number was likely to increase manifold when the commercial mining of the commodity was started within three or four years time.

Phosphate is utilized in 95% quantity as a feed stock of fertilizer.

## BRIEFS

ABUNDANCE OF MUSLIM LEAGUES--Although there is a ban on political activities in the country, certain parties, particularly some people associated with the Muslim League, have been busy arranging gatherings and meetings. These people say that they want to unite the three different organizations working under the name of Muslim League, and they deem this unification to be a sacred mission. If the mission fails, they want to establish a fourth Muslim League which, according to them, will be the real Muslim League. Sometime ago there were two parties organized with the name of Muslim League. Certain persons took it upon themselves to unite the two and a third League was born. Now efforts are being made to combine all three of them and we hear talk of the birth of still another Muslim League. Leaving aside the question whether the birth will take place or not, what will a fourth namesake party accomplish if it indeed was to come into being? The reports and rumors in the newspapers regarding this subject give one the impression that this is the only major problem facing the country at the present time and if all these Muslim Leagues unite, there wouldn't be much else left for anyone to try. On the other hand, there are also those who claim that the more numerous the Muslim Leagues, the better it would be for the country. Just as in the army, where it is said: "the more divisions it has, the stronger it is! [Text] [Rawalpindi TAMEER in Urdu 25 Jul 81 p 3] 9612

KASHMIRI MARTYRS HONORED--In a meeting of the Jammu and Kashmir Plebiscite Front, Kotli district, glowing tributes were paid to those who martyred themselves for the cause of Azad Kashmir. Sultan Mahmood Chaudhari remembering those who had laid down their precious lives, saying that the martyrs had made unique and unprecedented sacrifices and that the torch of freedom lit by them could show us the way to achieve our goals. It was our duty, said Mr Chaudhari, to fight for those goals. Another speaker, Mr Rashid Minhas, said that the day of 13 July will symbolize for Kashmiris the honor and pride associated with the word "freedom," "as long as that word would live in our speech." He then explained in detail the importance of 13 July. Mr Raza Ahmad Rathor eulogized the sacrifices made by the martyrs and pledged to follow in their footsteps. Mr Mubarak Bismil, chairman of the Plebiscite Front, Kotli district, said in his speech that the people will continue the mission of freedom for which the martyrs of Kashmir had given their blood. He further said that Kashmiris will never forget the sacrifices of the supreme mujahid of this movement, Maqbool Butt, who was now in an Indian prison. He urged the Government of Pakistan to make diplomatic efforts for Maqbool Butt's release from captivity in India. [Text] [Rawalpindi TAMEER in Urdu 23 Jul 81 p 5] 9612

SUGAR REFINERY IN BANGLADESH--An agreement has been reached between Pakistan and Bangladesh for setting up a sugar refinery in Bangladesh with Pakistan's assistance. The two countries also agreed on the exchange of training facilities and technical information. The agreement to this effect has been reached during the talks between the Bangladesh trade delegation and the officials of the Federal Ministry of Production. The two sides also exchanged views on the possibilities of increasing cooperation in economic and industrial fields. Several areas have been identified in which the two countries can cooperate for mutual benefit and thus strengthen the bilateral relations. The Bangladesh delegation, which is led by Secretary for Industries Mutiul Islam, called on President Gen Mohammad Ziaul Haq in Rawalpindi yesterday and exchanged views with him on the setting up of a sugar refinery in Bangladesh with Pakistani assistance. Federal Production Minister Lt Gen Said Qadir and the Bangladesh ambassador to Pakistan were also present on the occasion. [Text] [BK161206 Karachi Domestic Service in URDU 0200 GMT 16 Sep 81]

CSO: 4203/118

GOVERNMENT INDUSTRIAL VENTURES GET INVESTMENT

Manila PHILIPPINES DAILY EXPRESS in English 22 Aug 81 p 9

[Text]

THE government has released about P600 million out of a programmed P735 million in equity investments for major industrial projects this year. Industry and Trade Minister Roberto Ongpin disclosed yesterday.

The largest investment amounting to P79.34 million was made in Philippine Phosphate Fertilizer Corp. (Philphos), owner of the phosphatic fertilizer plant in Isabel, Leyte. Philphos is a joint venture between the state-owned National Development Co. and the Republic of Nauru.

Another major equity infusion of P52.57 million was also made in the Philippine Associated Smelting and Refining Corp. (Pasar), operator of the copper smelter now being set up in Leyte.

Among the other

shareholders in Pasar are Marubeni Corp. of Japan along with other Japanese trading firms; the International Finance Corp., the investment arm of the World Bank; and local copper companies.

ACCORDING to Ongpin, the government also invested P47.4 million in National Steel Corp. The existing facilities of the state-owned steel company will be upgraded and modernized and used in lieu of the proposed integrated steel mill.

The government - through the NDC - also spent about P18 million for plantation agriculture projects in joint venture with foreign and local private companies.

It has infused equity amounting to P14 million into Guthrie Overseas Holdings Ltd. and P3.7 million into

Dunlop International, both Malaysian-based British companies engaged in oil palm plantation.

The other equity contributions include the following: P16 million in Mindanao Textile, a joint venture between the government and the Gokongwei group; P5 million in the NDC Facida Raw Material Procurement Corp.; about P1.3 million for the feasibility studies on the aluminum smelter; and about P500,000 for studies on the heavy engineering complex.

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ONGPIN also said that the Export Processing Zone Authority (EPZA) will receive this year P100 million from the national government for the development of five new export processing zones.

CENTRAL BANK CREDITS FOR RELENDING

Manila PHILIPPINES DAILY EXPRESS in English 23 Aug 81 p 10

[Text]

THE Philippine Investments Systems Organization (PISO) recently got a P320 million (equivalent to \$40 million) credit line from the Central Bank for relending to private sector enterprises.

The credit line consists of various foreign currencies for a period of 15 years. It was granted by the Apex Development Finance Unit of the CB. Victor S. Barrios, PISO chairman-president said yesterday.

The PISO, together with the Private Development Corp. of the Phils. (PDCP) and the Development Bank of the Phils. (DBP) are the first to be accredited as participating financing institutions in the Apex development financing scheme.

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BARRIOS said that several project proposals worth a total of over \$170 million have been presented to PISO for financing under the new CB credit program

According to Laya, the allocation of the funds to the PISO, DBP and the PDCP will make available additional financing and credit to deserving and productive enterprises.

A total of \$250 million is available from the ADFU. The World Bank provided \$150 million while the CB raised a foreign syndicated loan worth \$100 million for the new lending scheme.

The Monetary Board approved on Friday the accreditation of DBP, PDCP and PISO as the initial participants in the Apex industrial lending program of the Central Bank.

Eligible for financing under the Apex program are costs of imported goods and services (up to 100 percent), procured locally goods with foreign exchange components and civil works (up to 70 percent).

The funds will be relent in a mix of WB and commercial-loan funds. Interest on the WB portion is 9.6 percent per annum plus a 3/4 percent service charge. Interest on the commercial portion is based on six-months LIBOR plus 3/4 percent for the first six years and 7/8 percent

thereafter and a service charge of 1/8 percent.

Participating financial institutions are allowed to charge a margin of up to 4 1/2 percent above their borrowing cost.

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LOANS availed of under the Apex program will have a maturity of up to 15 years for the World Bank portion and up to 12 1/2 years for the commercial portion.

DBP, PDCP and PISO told the CB that they have received a number of applications for financing from new ventures and expansion/modernization projects in food processing, manufacture of chemicals and plastic products and communication.

The Apex industrial financing program is the first of its kind launched in Asia by the World Bank. The \$250 million co-financing is likewise the largest to be arranged in the region, the CB said.

CSO: 4220/407

RP ATTRACTED 228 MIL FOREIGN INVESTMENTS

Manila PHILIPPINES DAILY EXPRESS in English 28 Aug 81 p 10

[Text]

**DIRECT** foreign equity investments approved by the Central Bank during the first six months this year rose to \$228 million, an increase of \$55 million or 32 percent over approved investments worth \$173 million in the same period last year, it was reported yesterday.

However, actual remittances of the approved investments dropped sharply to \$67 million from \$97 million in the first six months of 1980. The decline amounted to \$31 million or a hefty 31 percent, according to the CB.

The CB explained that the drop in actual remittances could be attributed "largely to lags."

The CB said that as of June 30, 1981, approved direct foreign equity investments reached \$1.7 billion. The funds came largely from American investors who accounted for half of

the investments.

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**MORE** than half of the investments or 52 percent went to the manufacturing sector, while banks and other institutions as well as mining firms got 16 percent and 15 percent, respectively, the CB said.

Approximately 62 percent of the investments were in the form of cash. Profits and dividends reinvested accounted for 20 percent of the foreign equity investments, it added.

Of the amount approved, investments actually inwardly-remitted amounted to \$1.4 billion. About \$1.09 billion or 78 percent have been registered and are therefore eligible to profit remittance and repatriation privileges.

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**OF THE** unremitted investments

worth \$348 million, about \$220 million or 63 percent were intended for the manufacturing sector. The balance of \$41 million was intended for the services sector.

The CB said that during the second quarter, approved direct foreign equity investments amounted to \$107 million, an increase of 132 percent or \$62 million over approvals in the same period in 1980.

The approved investments during the quarter were largely for manufacturing and the services sectors which accounted for \$52 million and \$28 million, respectively.

The CB noted that the investments consisted predominantly of cash worth \$82 million. Technical fees and profits, earnings and dividends converted into equity amounted to \$13 million and \$10 million, respectively.

CSO: 4220/407

WORLD BANK LOAN FOR SCHOOLS

Manila PHILIPPINES DAILY EXPRESS in English 27 Aug 81 pp 1, 6

[Text]

WASHINGTON, Aug. 25 - The First Lady, Imelda R. Marcos, signed Tuesday two World Bank loans amounting to \$145 million (P1,987.5 billion) to help improve the country's elementary education and agricultural programs.

A \$100-million loan will finance part of the Philippine government's \$448 million (P3,360 billion) development program for elementary education from 1982 to 1985.

Another \$45 million loan will be used for the \$74.5 million (P558.75 million) project to improve and expand agricultural research and increase crop and livestock production.

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THE FIRST LADY said 2.2 million Filipino students will benefit from the educational loan, while 2.3 million farmers will benefit from the agricultural loan.

"The educational loan will improve the country's human resources while the agricultural loan will advance our natural resources," Mrs. Marcos said.

S. Shahid Hussain, World Bank vice president for East Asia and Pacific, witnessed the loan signing. Others present were Ambassador Eduardo Romualdez, Ambassador Rafael Gonzales and Stephen O'Brien, World Bank division chief in charge of the Philippine desk.

The education project will supply over a four-year period (1982-85) 11 million basic textbooks per year; about 11,000 classrooms annually and train managers, planners and school staff.

The World Bank educational loan has a 20-year term, including a five-year grace period, with 9.6-percent interest annually.

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THE AGRICULTURAL project is expected to raise levels of income through small farm systems and diversify food production and other agricultural commodities, said Mrs. Marcos.

MRS. MARCOS said the agricultural loan will lead to higher nutritional standard in the country.

The six-year agricultural project

will be used to:

- Strengthen agricultural research, particularly on crops other than rice and on small farm systems, crops such as corn, sorghum, sweet potato, soybean and peanuts.

- Upgrade nine existing research stations into Regional Integrated Agricultural Research Stations to test technology applicable to small farm systems.

- Improve and expand the Ministry of Agriculture's crop and livestock services.

- Strengthen the ministry's capability for planning, preparing and implementing projects and for conducting special studies on food and nutrition and the rural economies.

- Support the second national nutrition survey, the results of which will provide a basis for carrying out the food and nutrition plan which aims to increase food production, improve the national diet and help check malnutrition.

CSO: 4220/407

TOP EXPORT EARNER: SUGAR

Manila PHILIPPINES DAILY EXPRESS in English 24 Aug 81 p 10

[Text]

**EXPORT PRODUCTS** earned a total of \$3 billion during the first seven months of 1981, an improvement of 11 percent compared to the \$2.7 billion registered in the same period last year, the Central Bank said yesterday.

Sugar registered the highest growth in export earnings at 79 percent over the same period last year. It contributed \$444.4 million to the dollar revenues.

Reports reaching the CB, based on negotiated values, showed that the top 22 Philippine exports comprised 78 percent of 1981 exports.

The 22 exports were sugar, wood manufactures, garments, integrated circuits, plywood, furniture and fixtures, copra, crude coconut oil, embroidery re-export, bananas, pineapple products, copra meal/cake and tobacco concentrates, which showed increases, and copper ores/concentrates, lumber, nickel, marine products, rice, iron ore agglomerates, logs, petroleum products and dessicated coconut, which reflected declines.

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THE favorable trend for sugar was attributed to bigger volume and the pricing policy of the government.

Under this policy, 50 percent of the 1980-1984 sugar production is being sold at no less than \$0.22/lb., CIF, and the other half in the open market at the prevailing world price. The pricing strategy is intended to protect sugar exports from the volatility of the international spot market.

Other major gainers are wood manufactures, garments and integrated circuits, plywood and furniture, copra and crude coconut oil, bananas and embroidery re-export, pineapple products and copra meal/cake.

The top exports from January to July and their respective values are: sugar, \$444.43 million; crude coconut oil, \$370.73; copper ores/concentrates, \$368.93; garments, \$183.51; integrated circuits, \$128.96; nickel, \$99.45; bananas, \$95.26; lumber, \$84.29; dessicated coconut, \$66.32; pineapple products, \$66.29; logs, \$60.05; plywood, \$54.96; furniture & fixtures, \$51.38; marine products, \$50.72; embroidery re-export, \$48.51; copra meal/cake, \$45.39; petroleum products, \$29.33; copra, \$29.28; tobacco manufactures, \$26.43; rice, \$22.55; wood manufactures, \$15.29; and iron ore agglomerates, \$11.06.

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